

August 24, 2018

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

Dear Sir,

**Stock Code: 500120**

**Sub. Submission of Annual Report 2017-18**

**Ref. Intimation under Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015**

With reference to the above stated subject, please find enclosed herewith **one copy** of the Annual Report 2017-18 as applicable to our company.

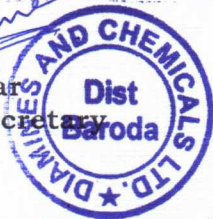
Kindly take the same on record.

Thanking You,

Yours Faithfully,

**For DIAMINES AND CHEMICALS LTD**

*Scany Parmar*  
**Scany Parmar**  
**Company Secretary**



ENCL: A/a

# **42nd ANNUAL REPORT 2017-2018**



**Diamines And Chemicals Limited**

CIN NO:L24110GJ1976PLC002905

**FINANCIAL HIGHLIGHTS OF THE LAST DECADE**

(₹ In Lakhs)

FINANCIAL YEAR ENDING	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	31.03.2017	31.03.2018
TOTAL REVENUE (INCLUDING EXCISE DUTY)	2,193.81	3,374.46	5,883.13	9,119.77	7,315.43	6,411.36	4,947.08	4,338.38	3,984.76	3,882.38	3,994.29
OPERATING PROFIT (LOSS) (PBIDT)	599.83	531.03	1,867.79	2,515.40	1,077.91	834.83	620.22	514.09	482.18	940.97	1,203.24
PROFIT (LOSS) BEFORE INCOME TAX (As per Note 2)	277.56	209.59	1,446.93	2,028.43	503.45	215.01	79.31	(29.75)	8.52	573.59	823.93
PROFIT (LOSS) AFTER INCOME TAX(As per Note 2)	170.89	136.32	935.42	1,470.99	360.42	170.04	75.04	(155.38)	25.33	479.81	708.90
GROSS FIXED ASSETS (As per Note 3)	4,566.49	4,614.17	5,461.06	5,782.02	6,333.72	6,454.92	6,535.36	6,536.99	6,532.37	2,739.18	2,802.00
NET FIXED ASSETS	2,364.11	2,319.15	3,002.75	3,124.11	3,450.15	3,323.45	3,151.35	2,929.99	2,733.10	2,544.58	2,413.87
NET CURRENT ASSETS	793.54	708.93	1,298.07	63.80	179.35	89.98	235.96	387.80	304.52	1,617.33	2,035.18
EQUITY SHARE CAPITAL	652.22	652.22	652.22	652.22	978.32	978.32	978.32	978.32	978.32	978.32	978.32
RESERVES & SURPLUS (excluding revaluation reserve)	966.23	966.23	1,449.15	2,128.49	2,049.10	2,161.92	2,236.96	2,070.24	2,103.10	2,779.26	3,282.66
BOOK VALUE (₹)	19.29	20.21	32.22	42.63	30.94	32.10	32.87	31.16	31.50	38.40	43.55
EARNING PER SHARE (₹)	2.61	2.09	14.34	22.55	3.68	1.74	0.77	(1.59)	0.26	4.90	7.25
EQUITY DIVIDEND (%)	10%	10%	20%	60%	10%	5%	-	-	-	15%	25%

**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.
- 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 network i.e share capital plus reserves and surplus less accumulated losses and miscellaneous expenditure.
- Figures for the year ended on 31-03-17 and 31-03-18 are as per Ind AS.
- Operating profit for the year ended March 31, 2018 is before exception item.

**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. Kejal Pandya	Independent Director

**Company Secretary**

Ms. Scany Parmar

**Chief Financial Officer**

Mr.Sudip Ray

**Auditors**

BANSI S. MEHTA & CO.  
Chartered Accountants  
11-13, Botawala Building, 2nd Floor,  
Horniman Circle, Fort, MUMBAI - 400 001.

**Bankers**

State Bank of India, Vadodara

**Registered Office & Works**

Plot No. 13, PCC Area, P. O. Petrochemicals,  
VADODARA - 391 346.  
Tel: (91) (0265) 3920200  
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 **42<sup>nd</sup> (Forty-Second)** Annual General Meeting (AGM) of the members of M/s. 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 **6th Day of August, 2018** 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 on March 31, 2018 together with the Reports of the Board of Directors' and Auditors' thereon for the year ended on March 31, 2018.
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 declare Final Dividend of ₹ 2.5 per Ordinary (Equity) share of ₹ 10/- each for the financial year 2017-18.
4. To appoint 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 provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), M/s. K C Mehta & Co., Chartered Accountants (Firm Registration Number: 106237W) be and is hereby appointed as the Statutory Auditors of the Company in place of retiring auditor M/s. Bansi S. Mehta, (Firm Registration No. 100991W) to hold office from the conclusion of 42<sup>nd</sup> Annual general Meeting (AGM) till the conclusion of the 47<sup>th</sup> Annual General Meeting to be held in the year 2023, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon by and between the statutory auditors and the Board of Directors of the company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

### **SPECIAL BUSINESS:**

5. To consider and approve appointment of Mrs. Kejal Pandya, (DIN:07048046), as a Non-Executive independent Director and if thought fit, to pass, with or without modification (s) the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Kejal Pandya (DIN:07048046), a non-executive Director of the Company, who was appointed as an additional Director in category of Woman Independent Director of the Company by the Board of Directors of the Company with effect from 27.04.2018 and whose term expires at this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed and confirmed as an Independent Director of the Company for a period of 5 (Five) years with effect from 27.04.2018, whose term of office shall not be liable to retire by rotation here in after in accordance with the provisions of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. 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 Sections 196, 197, 198, 203 of the Companies Act, 2013, read with Schedule V and other applicable provisions of the Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to any other approval(s) as may be necessary, in consideration of the recommendation of Nomination and Remuneration Committee and further approval of Board of Directors, the Company hereby approves the terms of re-appointment and remuneration of Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898) as a Whole-Time Director of the Company, designated as Executive Director of the Company, for a further period of 3 (Three) years from February 7, 2018 to February 6, 2021, on the terms and conditions including remuneration as set out in the draft agreement as placed before the members duly initialed by the Chairman for the purpose of identification with liberty to the Board of Directors (which term shall also include the Nomination and Remuneration Committee of the Board of Directors) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as may be mutually agreed between the Board and Mr. Govindarajapuram Seshadri Venkatachalam, liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the remuneration and perquisites including the monetary value thereof as specified in the draft agreement may be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 2013 or any amendments thereof or re-enactments thereof and that the aforesaid draft agreement between the Company and Mr. G. S. Venkatachalam be suitably amended to give effect to the same in such manner as may be agreed to between the Board and Mr. G. S. Venkatachalam, subject to the condition that the remuneration shall not be exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

**“RESOLVED FURTHER THAT** Mr. Yogesh Kothari, Chairman and/or Mr. Amit M. Mehta, Vice Chairman of the Company be and are hereby authorized severally to enter into an agreement on behalf of the Company with Mr. G. S. Venkatachalam in terms of the aforesaid draft agreement with modifications if any, and that the common seal of the Company be affixed thereto in the presence of Mr. Yogesh Kothari, Chairman and Mr. Amit M. Mehta, Vice-Chairman of the Company.”

**“RESOLVED LASTLY THAT** the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution in the manner most beneficial to the company.”

**Mumbai, Dated: May 4, 2018**

**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. The Explanatory Statement, for Item No.s 5 and 6, pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of this notice. The relevant details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, of persons seeking appointment / re-appointment as Directors under Item No. 2, 5 & 6 of the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE**

**COMPANY GIVEN HEREUNDER, NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE 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.**

3. 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.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from **31<sup>st</sup> July, 2018 to 6<sup>th</sup> August, 2018** (both days inclusive).
5. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
6. Members, who hold shares in dematerialized form, are requested to bring their depository account number for identification.
7. 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.
8. 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 Annual General Meeting.

Pursuant to applicable provisions of the 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 of Final Dividend for the financial year 2009-10 and interim dividend for the year 2010-11 to the Investor Education and Protection Fund of the Central Government. Members who have not claimed their Final dividend for the financial year 2010-11 are requested to claim their unclaimed dividend before September 18, 2018. Members who have not encashed their above Dividend Warrants may approach to the Company/RTA immediately for revalidation. The Company shall thereafter as mentioned above; process to transfer the unclaimed dividend amount to the Investor Education and Protection Fund and no claim shall lie against the Company for the said amount of unclaimed dividend so transferred. A sum of ₹ 394762/- has been transferred to the Investor Education and Protection Fund in the year 2017 towards unclaimed/unpaid dividend for the Final Dividend for the financial year 2009-10 and interim dividend for the year 2010-11.

9. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS)/National Automated Clearing House (NACH). **It is in Members interest to avail NECS/NACH facility as it is quick and much convenient way of getting dividend directly in your bank account.** Members desirous of availing NECS/NACH facility are requested to submit bank particulars in ECS Mandate Form, the format of which is annexed at the end of this Annual Report.
10. 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.



11. 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 annual general meeting. Replies will be provided in respect of such written queries received only at the meeting.
12. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
13. Members are requested to 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,**

88, Neelam Apt,

Above Chappan Bhog,

Sampatrao Colony,

Alkapuri, VADODARA – 390 007

Tel. (0265) 2339397/2314757

Fax: (0265) 2341639

Email: mcsltbaroda@gmail.com

14. **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.**
15. 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.
16. 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.
17. 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.
18. 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.
19. The Company has made bonus issue of equity shares at the AGM held on 12<sup>th</sup> 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.
20. As per sub 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 & 26281 shares**
  - (ii) Number of shareholders who approached issuer for transfer of shares from suspense account during the year: **1**
  - (iii) Number of shareholders to whom shares were transferred from suspense account during the year: **1**
  - (iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; **940 Shareholders & 26,181 shares**
  - (v) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
21. In line with the measures of Green Initiative, Companies Act, 2013, provides for sending notice of the meeting along with annual report to the Members through electronic mode. Members holding shares in physical mode are requested to register their e-mail Id's with the Company/RTA. Members holding shares in dematerialised mode are requested to register their e-mail id's with their respective DPs. If there is any change in the e-mail id already registered with the Company/RTA, Members are requested to immediately notify such change to the Company/RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
  22. The notice of AGM along with the Annual report 2017-18 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.
  23. Members are requested to bring their copy of the Annual Report to the Annual General Meeting as an austerity measure.
  24. In compliance with the provisions of Section 108 of the Companies Act, 2013, and in accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has fixed 31<sup>st</sup> July, 2018 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 42<sup>nd</sup> Annual General Meeting (AGM) and the business at the 42<sup>nd</sup> 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, Practicing Company Secretaries, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Scrutinizer shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, during the remote e-voting and voting at the AGM, not later than 48 hours from the 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 will begin on <2<sup>nd</sup> August, 2018 at 9:00 a.m.> and will end on <5<sup>th</sup> August, 2018 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 <31<sup>st</sup> July, 2018>, 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](http://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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
User ID	<b>For Demat :</b> <u>For NSDL: 8 Character DP ID followed by 8 Digits Client ID</u> <u>For CDSL: 16 digits beneficiary ID</u> <b>For Physical Form :</b> Folio Number registered with the Company.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the serial number printed in address slip.</li> </ul>
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. <ul style="list-style-type: none"> <li>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., “31<sup>st</sup> July, 2018”</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <DIAMINES AND CHEMICALS LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 2<sup>nd</sup> August, 2018, at 9.00 a.m. and ends on 5<sup>th</sup> August, 2018, 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 31<sup>st</sup> July, 2018, 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**C. Other Instructions:**

- i. The e-voting period commences on Thursday, 2<sup>nd</sup> August, 2018 (9.00 a.m. IST) and ends on Sunday, 5<sup>th</sup> August, 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 31<sup>st</sup> July, 2018, 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 31<sup>st</sup> July, 2018.
- iii. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of notice and holding shares as on the cut-off date i.e. Tuesday, 31<sup>st</sup> July, 2018, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User details/ password” option available on CDSL [www.evotingindia.co.in](http://www.evotingindia.co.in) or contact CDSL at the toll free number: 18002005533 or you can write to the Company Secretary / compliance officer of the Company – Ms. Scany Parmar on the office number: 0091-265-3920200 or you can write an e- mail to [secretarial@dacl.co.in](mailto:secretarial@dacl.co.in).
- iv. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Sandip Sheth, Practicing Company Secretary, (Membership No. FCS 5467), at the Registered Office of the Company not later than Tuesday, 31<sup>st</sup> July, 2018 (5.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [secretarial@dacl.co.in](mailto: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 Saturday, 4<sup>th</sup> August, 2018 (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.

- v. 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.
- vi. The Scrutinizer shall, after scrutinizing the votes cast at the AGM (poll) and through remote e-voting not later than 48 hours of conclusion of the AGM, make and submit a consolidated Scrutinizer's report and submit to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company [www.dacl.co.in](http://www.dacl.co.in) and website of CDSL [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to the Stock Exchanges where the Company's shares are listed.
- vii. Route Map to the venue of Annual General Meeting is attached herewith this notice.

**Mumbai, Dated: May 4, 2018**

**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 pursuant to Section 102 of the Companies Act, 2013**

##### **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.

It will be in the interest of the Company to re-appoint 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.

##### **He is also director of the following Companies:**

- 1) Anjyko Investments Private Limited.
- 2) Purjeeko Trading & Investment Private Limited.
- 3) Foundation for CfHE.
- 4) Kaira Can Company Limited.
- 5) Alkyl Amines Chemicals Limited.

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:**

Members of the Company had, at the 38th Annual General Meeting of the Company held on August 12, 2014, approved the appointment of M/s. Banshi S. Mehta & Co., Chartered Accountants, Mumbai (Firm Registration No.: 100991W) as Statutory Auditors, to hold office from the conclusion of that meeting until the conclusion of the 42<sup>nd</sup> Annual General Meeting. M/s. Banshi S. Mehta & Co., Chartered Accountants, having completed the term of their appointment, as per the provisions of Section 139 of the Companies Act, 2013, are not eligible for re-appointment as Statutory Auditors of the Company. Accordingly, in compliance with provisions of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company, at their Meeting held on May 4, 2018, on the recommendation of the Audit Committee, has recommended appointment of M/s. K. C. Mehta & Co., Chartered Accountants (FRN: 106237W) as the Statutory Auditors of the Company, for a term of five years from the conclusion of the 42<sup>nd</sup> Annual General Meeting upto the conclusion of the 47<sup>th</sup> Annual General Meeting to be held in calendar year 2013, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon by the Board of Directors of the Company and Statutory Auditors.

The Board accordingly recommends the resolution at Item No. 4 of this notice for the approval of the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

**ITEM NO. 5:**

The Board of Directors on the recommendation of the nomination and remuneration committee, appointed Mrs. Kejal Pandya (DIN: 07048046) as an Additional Director in the category of Woman Non-Executive Independent Director of the Company with effect from 27.04.2018. Pursuant to Section 161 of the Companies Act, 2013, Mrs. Kejal Pandya will hold office only upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, and the recommendation of Nomination and Remuneration Committee at its meeting held on 4<sup>th</sup> May, 2018 proposing the candidature of Mrs. Kejal Pandya for the office of Woman Non-Executive Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mrs. Kejal Pandya consent in writing to act as Director in Form DIR-2, DIR-8 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and A declaration to the effect that she meets the criteria of independence as provided under Sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Mrs. Kejal Pandya as an Independent Director of the Company for a period of 5 (Five) years with effect from 27.04.2018 pursuant to Section 149 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. She will not be liable to retire by rotation.

In the opinion of the Board, Mrs. Kejal Pandya, proposed to be appointed as Non-Executive Independent Director, fulfills the criteria and conditions of Independence and appointment as specified in the Companies Act, 2013 and the Rules made there under and she is independent of the Management. All the relevant documents of the appointment of Mrs. Kejal Pandya as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours up to the date of the Annual General Meeting.

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

**Mrs. Kejal Pandya (DIN: 07048046)**

Mrs. Kejal Pandya, aged 45 years is a Chartered Accountant and a partner at CNK & Associates LLP, Chartered Accountants, Baroda. She is a member of the Institute of Chartered Accountants of India having Membership No. 106270.

She has rich experience of more than 17 years in the areas of Direct and Indirect Taxes with special interest in Information System and internal Controls. Her experience includes consultancy for Software Development for US and Indian Accounting, Taxation, Sales tax, Payroll, Inventory, billing, Education ERP. She has given presentations at various forums on Audit and Taxation.

She was associated with the Baroda Branch of ICAI as faculty for ITT batches for CA students. She was a member of Managing Committee of Baroda Branch of ICAI during 2013-2016.

Resolution placed at Item No. 5 of the notice is recommended by the board, for the approval of the Shareholders as ordinary resolution.

None of the Directors, Key Managerial Personnel or their relatives, except Mrs. Kejal Pandya, to whom the resolution relates, is interested or concerned either financially or otherwise in the Resolution No. 5 of this notice.

#### **ITEM NO. 6:**

Mr. Govindarajapuram Seshadri Venkatachalam was appointed as an Executive Director with effect from 7<sup>th</sup> February, 2015 for a period of 3 (Three) years. His term of appointment expired on 6<sup>th</sup> February, 2018, the board of directors of the company in its meeting held on 24<sup>th</sup> January, 2018, re-appointed Mr. Govindarajapuram Seshadri Venkatachalam for a further period of 3 (Three) years from 7<sup>th</sup> February 2018 to 6<sup>th</sup> February 2021, on the remuneration and other terms & conditions as approved by the board. The Nomination and Remuneration Committee and Audit Committee has considered the matter and recommended the re-appointment of Mr. G. S. Venkatachalam to the Board, subject to the approval of members under the various applicable Sections of the Companies Act, 2013, read with Schedule V of the Companies Act, 2013. Mr. G S Venkatachalam is a Chartered Accountant by profession; having more than 30 years of experience in his core area of competence i.e. Accounts and Finance and has wide exposure to domestic and international markets. The details of terms and conditions and the remuneration payable to Mr. G S Venkatachalam, as an Executive Director as contained in the draft agreement to be placed before the members for their approval are set out below:

**A. Basic Salary:** In the range of ₹ 200000 to ₹ 300000/- Per Month

**B. Perquisites/Amenities:**

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

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



- (ix) The Company shall pay commission on net profits at such percent to the Executive Director as determined by the Board from year to year provided that the total commission shall not exceed 1% of the net profits as calculated under the provisions of the Companies Act, 2013 or 25% of the annual basic salary, whichever is lower, provided that the total remuneration shall not exceed the ceiling limit mentioned in Schedule V of the Companies Act, 2013.

Subject to supervision and control of the Board of Directors of the Company, Executive Director shall be in charge of affairs of the Company and exercise such functions and powers as may be entrusted to him by the Board of Directors from time to time.

The total aggregate of the remuneration paid to Mr. G. S. Venkatachalam shall not exceed double the limits as per Part II of Section II of the companies Act, 2013.

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

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

Mr. G S Venkatachalam holds 5842 Equity Shares in the Company and he does not hold Directorship in any other Company.

**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.**

<b>I. GENERAL INFORMATION:</b>		
(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 <sup>st</sup> March 2018)	Particulars
		₹ in Lacs
		Revenue from operation (Net of excise)
		Operating Profit (Before exceptional item)
		Net Profit/(Loss) Before Tax
		Debt Equity Ratio
		Current Ratio
(5)	Export Performance	Net Worth
(6)	Foreign Investments or collaborators, if any.	The Company has achieved export Turnover FOB value of ₹ 310.33 Lacs for the Financial Year ended on 31.03.2018.
(7)		None
<b>II. INFORMATION ABOUT THE APPOINTEE:</b>		
(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 <sup>th</sup> 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. His term as an Executive Director expired with effect from 6 <sup>th</sup> February, 2018.
(2)	Past Remuneration	₹ 40,78,188
(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.
(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.
<b>III. OTHER INFORMATION:</b>		
(1)	Reasons of loss or inadequate profits.	Due to economic slowdown and consequent sluggish market condition prevailing, the Company has witnessed lower turnover lower profitability which has led to the Company incurring inadequate profits.
(2)	Steps taken or proposed to be taken for improvement	The Company has initiated steps such as better cost control, improving efficiency etc. Though, the prices of raw materials and products are influenced by external factors, the Company is making all possible efforts to improve the margins.
(3)	Expected increase in productivity and profits in measurable terms.	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. This will enable Company to improve its margin in years to come with normative numbers calculated with reference to good returns from the Chemical Industry.
<b>IV. DISCLOSURES:</b>		
(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 <b>has been made</b> in the Annual Report of the Company, <b>wherever applicable</b> .	

Re-appointment of Mr. G S Venkatachalam as an Executive Director of the Company and payment of remuneration to him requires approval of the members as Special Resolution. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in terms of the proviso of clause (B) of Section II of Part II of Schedule V of the Companies Act, 2013.

Consequently, the said resolution for re-appointment of Mr. G S Venkatachalam as an Executive Director for a period of three (3) years w.e.f. 6<sup>th</sup> February, 2018 on the remuneration as set out in the Agreement, requires approval of Members in General Meeting. Hence, your directors recommend the resolution for your approval.

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

Necessary documents in this regard are available for inspection by the Members at the Registered Office of the Company during business hours on any working day.

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

**Mumbai, Dated: May 4, 2018**

**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

### AGM Venue

Google Maps

Diamines And Chemicals Limited

Venue to the 42nd AGM of M/s. Diamines And Chemicals Limited



**Diamines And Chemicals Limited**

Chemical Manufacturer



Plot No. 13, PCC Area, Petrofils, Near Poly Chemicals, Vadodra, Gujarat 391346



dacl.co.in



0265 223 0929

## BOARD'S REPORT

To the Members,

Your Directors are pleased to present the 42<sup>nd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2018.

### 1. Financial Results

The Company's financial performances for the year under review along with previous year's figures are given hereunder (₹ In lacs)

Particulars	Year Ended	
	March 31, 2018	March 31, 2017
Net Sales and Other Income	3,994.29	3,882.38
<b>Profit before Finance costs and Depreciation</b>	<b>1,203.24</b>	<b>940.97</b>
<b>Expenses</b>		
Finance cost	31.98	172.79
Depreciation and amortisation expenses	194.81	194.59
<b>Profit from ordinary activities before tax and Exceptional Item</b>	<b>976.45</b>	<b>573.59</b>
Exception Items	152.52	NIL
<b>Profit from ordinary activities before tax</b>	<b>823.93</b>	<b>573.59</b>
<b>Tax expense</b>		
Current tax	216.55	150.00
Deferred tax	(101.52)	(56.22)
<b>Net Profit from ordinary activities after tax</b>	<b>708.90</b>	<b>479.81</b>
Other comprehensive income /(expense) (net of tax)	(28.89)	21.73
<b>Total comprehensive income for the period</b>	<b>680.01</b>	<b>501.54</b>
<b>Net Profit / (loss) attributable to</b>		
a) Owners of the Company	708.90	479.81
b) Non controlling interest	NIL	NIL
<b>Other comprehensive income attributable to</b>		
a) Owners of the Company	(28.89)	21.73
b) Non controlling interest	NIL	NIL
<b>Total comprehensive income attributable to</b>		
a) Owners of the Company	680.01	501.54
b) Non controlling interest	NIL	NIL
Balance of profit brought forward	2,176.96	1,782.02
<b>Dividend</b>		
- Interim	NIL	NIL
- Proposed Final	(146.75)	NIL
Corporate Dividend Tax	(29.87)	NIL
Transfer to General Reserve		
<b>Balance carried to Balance Sheet</b>	<b>2,706.96</b>	<b>2,176.96</b>
<b>Basic &amp; diluted earning per equity share on Net profit from ordinary activities after tax (face value ₹ 10/- each)</b>	<b>7.25</b>	<b>4.90</b>
<b>(In Rupees)</b>		

## 2. Dividend

The Board of Directors **recommended** a final dividend of ₹ 2.50 per Ordinary share on 9783240 ordinary shares of ₹ 10/- each for the year ended on March 31, 2018.

## 3. Transfer to Reserves

Pursuant to provisions of Section 134(3)(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, performance highlights and Future Prospects

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

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

Total income for the year 2017-18 was registered at ₹ 3,994.29 lacs as compared to income of ₹ 3,882.38 lacs for the year 2016-17.

Net profit after tax was ₹ 708.90 lacs as compared to ₹ 479.81 lacs in previous financial year.

Sales volumes for the year 2017-18 were at 1,952.45 MT as compared to 1746.962 MT for the year 2015-16.

## 5. Transfer of Unclaimed Dividend to Investor Education And Protection Fund

In terms of Section 124 and Section 125 of the Companies Act, 2013, unclaimed or unpaid Final Dividend relating to the financial year 2010-11 is due for remittance on 18<sup>th</sup> September, 2018, 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, 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](http://www.dacl.co.in)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://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. Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the year, pursuant to Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 forms part of the Annual Report, attached herewith as "**ANNEXURE-A**".

## 8. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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

Your Company understands and appreciates the responsibility and importance of conservation of energy and 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

## **9. 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 hours, 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.

## **10. Corporate Social Responsibility Initiatives and Policy**

The Company believes in contributing to harmonious and sustainable development of society and that a company's performance must be measured not only by its bottom line but also with respect to the social contributions made by the company while achieving its financial goals. During the year the CSR



Expenditure incurred by the company was ₹ 3.72 Lacs in the area of Education and Empowerment. The Annual Report on CSR Activities is annexed herewith as **ANNEXURE – C.**

**11. 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-D** and are attached to this report.

**12. 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.

**13. 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 is 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.

**14. 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.

All other Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on materiality of related party transactions and dealing with related party transactions is uploaded on the Company's website "www.dacl.co.in".

Since, there were no materially significant Related Party transaction during the year under review, the details, required in AOC-2 is not applicable to the Company.

**15. 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.

**16. 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-E** and forms part of this report.

**17. Number of Board Meetings conducted during the year under review:**

The Company had 6 (Six) Board meetings during the financial year. During the year under review,

Board Meetings were held respectively on 11th April, 2017, 28th April, 2017, 20th July, 2017, 22nd August, 2017, 9th November, 2017 and 24th January, 2018. The details of attendance at the Board Meetings is stated herein below for each Director and the details of attendance at Annual General Meeting for each Director along with their other Directorships is stated in the Corporate Governance Report which forms part of this Report. :

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>No. of Board Meetings attended out of 6 held</b>
1.	Mr. Yogesh M. Kothari	6
2.	Mr. Amit M. Mehta	6
3.	Mr. Kirat Patel	6
4.	Mr. Dhruv Kaji	2
5.	Mr. Rajendra Chhabra	6
6.	Mr. G.S. Venkatachalam	6
7.	Dr. Ambrish Dalal	2
8.	Mr. Shreyas Mehta	3
9.	Mrs. Darshana Mankad	3

#### **18. Directors Responsibility Statement:**

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- The directors had prepared the annual accounts on a going concern basis;
- 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
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **19. Subsidiary Company, its Performance & Financial Position:**

During the year under review, no Company has become or ceased to become subsidiary or associate or joint venture Company of M/s. Diamines and Chemicals Limited.

#### **20. Deposits:**

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended

from time to time, during the year under review and therefore details mentioned in Rule 8(5)(v)& (vi) of Companies (Accounts) Rules, 2014 relating to deposits, covered under Chapter V of the Act is not required to be given.

## **21. Directors:**

Mr. Kirat Patel (DIN:00019239), Director of the company retires at this Annual General Meeting and being eligible offer himself for re-appointment. Your Directors recommend his re-appointment.

During the year under review, Mrs. Darshana Mankad, Independent women director resigned from the Directorship with effect from 24<sup>th</sup> January, 2018. Also, during the year under review, the term of Mr. G. S. Venkatachalam as an Executive Director of the Company expired as on 6<sup>th</sup> February, 2018 and he was re-appointed as an Executive Director (Whole-Time Director) of the Company with effect from 7<sup>th</sup> February, 2018 by the board of directors of the Company in their meeting held on 24<sup>th</sup> January, 2018, subject to confirmation by the Members at the ensuing Annual General Meeting. Ms. Kejal Pandya (DIN: 07048046) is appointed as an Additional Director in the category of Women Independent Director of the Company with effect from 27<sup>th</sup> April, 2018. 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 thereat have been mentioned in the Report on Corporate Governance in the Annual Report.

## **22. 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.

## **23. Familiarization Programmes:**

The Company has adopted a familiarization policy for independent directors. The policy as well as the details with regard to no. of hours and details of imparting the training to the independent directors of the Company are available on the Company's website [www.dacl.co.in](http://www.dacl.co.in)

## **24. 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.

## **25. Particulars regarding Employees Remuneration:**

Disclosure pertaining to the remuneration and details as required under Section 197(12) of the Act, and the Rules framed thereunder is enclosed as "**ANNEXURE - F**" to the Director's Report. The information in respect of employees of the company required pursuant to rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 will be provided upon request. In terms of Section 136 of the Companies Act 2013, the Report and Accounts are being sent to the Members and other entitled thereto, excluding the aforesaid Annexure which is available for inspection by the Members at

the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**26. 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. Sudip Ray, Chief Financial Officer and Ms. Scany Parmar, Company Secretary are the Key Managerial Personnel of the Company.

Mr. A. R. Chaturmutha, Chief Financial Officer, resigned from the Company with effect from 28.07.2017. The Board has accepted his resignation and relieved him from duties. The Board Members appointed Mr. Sudip Ray holding ICAI membership number as 117549, as the Chief Financial Officer of the Company with effect from 4<sup>th</sup> May, 2018.

**27. Auditors:****a. Statutory Auditors**

As per the provisions of section 139 of Companies Act, 2013 the term of office of M/s. Banshi S. Mehta & Co., Chartered Accountants, as Statutory Auditors of the company will conclude from the conclusion of the forth coming Annual General Meeting of the Company. The Board of Directors places on record its appreciation for the services rendered by M/s. Banshi S. Mehta & Co. as the Statutory Auditors of the Company. Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of Messrs. K.C Mehta & Co, Chartered Accountants (ICAI Firm Registration No. 106237W) as Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. The Members' attention is drawn to a Resolution proposing the appointment of M/s. K.C. Mehta & Co., as Statutory Auditors of the Company for a period of 5 (Five) years in place of retiring statutory auditors, which is included in Item No. 4 of the Notice for Convening the Annual General Meeting.

**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 M/s. Sandip Sheth & Associates., Company Secretaries, as secretarial auditors of the Company, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "**ANNEXURE-G**".

**c. Internal Auditors**

Pursuant to provisions of section 138 (1) of the Companies Act, 2013, the Company has appointed M/s. Anirudh Sonpal & Associates, Chartered Accountants, as Internal auditors of the Company, to undertake the Internal Audit of the Company.

**28. Instances of Fraud, if any, reported by the Auditors:**

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

**29. Risk Management Policy:**

The Company has a risk management policy which from time to time is reviewed by the Audit Committee of the Directors as well as by the Board of Directors. The policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The policy is designed to provide the categorization of this into threats and its cause, impact, treatment and control measures. As part of the risk management policy, the relevant parameters for manufacturing sites are

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.

### **30. 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 (Obligations and Disclosure Requirements) Regulations, 2015. The details of the composition of the Audit Committee, terms of reference and meetings held are provided in the Corporate Governance Report which forms part of this Report.

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](http://www.dacl.co.in/investors/Whistle_blower_policy-DACL.pdf)).

### **31. Shares**

#### **a. SHARE CAPITAL**

During the year under review the Total Authorized Share Capital is ₹ 17,55,00,000/- (Rupees Seventeen Crore Fifty-Five Lacs Only) and paid-up, issued and subscribed share capital of the company is ₹ 9,78,32,400/- (Rupees Nine Crore Seventy-Eight Lacs Thirty-Two Thousand Four Hundred Only).

#### **b. BUY BACK OF SECURITIES**

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

#### **c. SWEAT EQUITY**

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

#### **d. BONUS SHARES**

No Bonus Shares were issued during the year under review.

#### **e. EMPLOYEES STOCK OPTION PLAN**

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

### **32. Insurance:**

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

### **33. 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.

### **34. 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](http://www.dacl.co.in/investors/SEBI_Disc.pdf)

**35. Nomination And Remuneration Policy:**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed and adopted a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration 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 policy is available on our website at following link <http://www.dacl.co.in/investors/Remuneration%20policy%20DACL.pdf>

**36. Compliance with Secretarial Standards:**

The Board of Directors of the Company has complied with all the applicable secretarial standards as issued by the Institute of Company Secretaries of India and approved by the Central Government from time to time.

**37. 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-H**".

**38. Disclosure Under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:**

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up Internal Complaints Committees at its workplaces to redress complaints received regarding sexual harassment. No complaints have been reported during the financial year 2017-18. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

**39. Acknowledgement:**

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

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Chairman**  
**DIN: 00010015**

**Date : May 4, 2018**  
**Place : Mumbai**

## **ANNEXURE – A**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

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](http://www.dacl.co.in).

#### **PERFORMANCE:**

Total revenue (net of excise and taxes) for the year 2017-18 amounted to ₹ 3888.88 Lacs compared to ₹ 3484.96 Lacs of the previous year 2016-17. The operating profit after tax amounted to ₹ 708.90 lacs compared to ₹ 479.81 lacs in the previous year.

#### **SEGMENT-WISE PERFORMANCE**

The Company has identified and working in two reportable primary segments. Thus, the disclosure particulars as per Ind AS-108 on Segment Reporting are made part of this Annual Report in Note 37 of Financial Statements.

#### **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 2018, 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 2018-19 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.

**WHISTLE BLOWER POLICY**

The Company has a Whistle Blower policy in place to deal with instances of fraud and mismanagement, if any. The details of the policy are explained in the Corporate Governance Report and the said whistle blower policy is posted on the website of the Company.

**CAUTIONARY STATEMENT:**

The statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations are "forward looking statements". The forward looking statements made in the Management Discussion and Analysis Report are based on certain assumptions and expectations of future events. Actual results might differ materially from those anticipated because of changing ground realities. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialize.

**For and on behalf of the Board**

**Mumbai, Dated: May 4, 2018**

**Yogesh M Kothari**  
**Chairman**  
**DIN: 00010015**

## ANNEXURE – B

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Current Year 2017-18	Previous Year 2016-17
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>Electricity</b>		
a) Purchased Unit	17,16,735	14,77,455
Total Amount (₹ in lacs)	86.44	68.15
Rate/Unit (₹)	5.04	4.61
b) Own Generation		
<b>Through Diesel generator</b>		
Units	50,944	27,344
Units/Ltr. Of Diesel Oil	2.48	2.71
Cos/Unit (₹)	25.29	21.73
<b>Coal</b>		
Quantity (In Tonnes)	2,757	2,578
Total Cost (₹ in lacs)	174.90	155.50
Average Rate (₹ / Tonne)	6,344	6,032
<b>LDO &amp; FO</b>		
Quantity (In Tonnes)	346	362
Total Cost (₹ in lacs)	100.85	89.73
Average Rate (₹ / Tonne)	29,148	24,787
<b>Generation through Wind Turbine Generator</b>		
Units (KWH in thousand)	4,060.93	4,351.64
Total Amount (₹ in lacs)	233.94	232.08
Average Generation Rate (₹ / unit)	5.76	5.33
<b>B. CONSUMPTION PER TONNE OF PRODUCTION:</b>		
Production of Speciality Chemicals (MT)	2,022	1,755
Electricity (Unit)	849	842
Coal (Tonnes)	1.36	1.47
FO/LDO (Tonnes)	0.17	0.21

**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) Benefit derived from R&D**

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

**(C) Future Plan 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 Ethylene amines.

**(D) Expenditure on R&D**

- |                           |                           |
|---------------------------|---------------------------|
| (1) Capital               | : ₹ 1,16,534/-            |
| (2) Revenue               | : ₹ 13,90,929/-           |
| (3) Total                 | : ₹ 11,85,576/-           |
| (4) Total R&D expenditure | : 0.30% of total Turnover |

**(E) Technology absorption, adoption and innovation.**

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

**II. FOREIGN EXCHANGE EARNING & OUTGO:**

Year ended March, 31	2018 (₹)	2017 (₹)
Foreign Exchange Earnings	327,58,618	80,60,923
Foreign Exchange outgo	10,26,72,469	10,70,02,105

## ANNEXURE-C

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### Composition of the CSR Committee

- Mr. Amit Mehta – Chairperson
- Mr. Rajendra Chhabra – Member
- Mr. Kirat Patel - Member

#### Average net profit of the company for the last three financial years

Average net profit ₹ 18,592,562/-

#### Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2016-17 is required to spend ₹ 3,71,851/-

#### Detail of CSR spent during the financial year:

A) Total amount spent for the financial year; ₹ 3,72,000/-

B) Amount unspent, if any; ₹ NIL.

#### C) Manner in which amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Location (units)	Amount Spent on the project or programs	Cumulative Expenditure up to reporting period	Amount spent Direct or through implementing agency
1	Donations to College and Promotion of Education. (Development of Library, Laboratory Instruments)	Promoting education	Vadodara, Gujarat	3,72,000	3,72,000	Through Implementing Agency
	<b>TOTAL</b>			<b>3,72,000</b>	<b>3,72,000</b>	

#### Details of the Implementing Agencies:

1. The Maharaja Sayajirao University of Baroda, Gujarat

#### Responsibility Statement by the Corporate Social Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

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

<b>Sr. No</b>	<b>Company Name</b>	<b>Date of Making Investment</b>	<b>No. of Shares</b>	<b>Date of Board Approval</b>	<b>Nature of Advance/Loan/ Investment</b>
1	Sintex Industries Ltd.	19.10.2005	87,950	19.07.2005	Equity Investment
2	Sintex Plastic Technology Limited	08.08.2017	87,950	NA	Equity Investment

**ANNEXURE-E**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2018**

**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 Phone No. - 0265-3920200
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>M/s. MCS Share Transfer Agent Limited</b> 88, Neelam Apt, Above Chappan Bhog, Sampatrao Colony, 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)

S. 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	95.59%
2	Electric Power Generation using other non-Conventional Sources (Windmill)	35106	4.41%

**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
NIL	NIL	NIL	NIL	NIL

**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-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(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
<b>Total shareholding of Promoter (A)</b>	<b>6378777</b>	<b>0</b>	<b>6378777</b>	<b>65.20</b>	<b>6378777</b>	<b>0</b>	<b>6378777</b>	<b>65.20</b>	<b>NA</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	NA
a) Mutual Funds	50	3076	3126	0.03	50	3076	3126	0.03	0
b) Banks / FI	136	375	511	0.01	136	75	211	0.00	0.01
c) Central Govt.	0	0	0	0	68291	0	68291	0.69	0.69
d) State Govt.(s)	0	0	0	0	0	0	0	0	NA
e) Venture Capital Funds	0	0	0	0	0	0	0	0	NA
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
<b>Sub-total (B)(1):-</b>	<b>286</b>	<b>3651</b>	<b>3937</b>	<b>0.04</b>	<b>68577</b>	<b>3351</b>	<b>71928</b>	<b>0.74</b>	<b>0.70</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	192747	20290	213037	2.18	129825	19429	149254	1.52	(0.66)
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 Rs. 1 lakh	1612880	426467	2039347	20.85	1689811	340244	2030055	20.75	(0.09)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	875702	0	875702	8.95	914871	0	914871	9.35	0.40
c) Others (specify)	271806	634	272440	2.78	237870	485	238355	2.44	(0.35)
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
<b>Sub-total (B)(2):-</b>	2953135	447391	3400526	34.76	2972377	360158	3332535	34.06	(0.70)
Total Public Shareholding (B)=(B)(1)+(B)(2)	2953421	451042	3404463	34.80	3040954	363509	3404463	34.80	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	NA
<b>Grand Total (A+B+C)</b>	9323158	460082	9783240	100	9419731	363509	9783240	100	NA

**B) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ALKYL AMINES CHEMICALS LTD	2977996	30.44		2977996	30.44		NA
2	PERFOCHEM (INDIA) PVT. LTD.	840000	8.59	300000	840000	8.59	300000	NA
3	S. AMIT SPECIALITY CHEMICALS PVT. LTD	128100	1.31		128100	1.31		NA
4	FINORGA (INDIA) PVT. LTD.	44467	0.45		44467	0.45		NA
5	SYK TRADING AND CONSULTANCY P. LTD	6000	0.06		6000	0.06		NA
6	AMIT MAHENDRA MEHTA	862099	8.81		862099	8.81		NA
7	CHERRY AMIT MEHTA	695178	7.11		695178	7.11		NA
8	MOHAK AMIT MEHTA	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	158500	1.62	7500	0	166000	1.69
Dipak Kanayalal Shah	105000	1.07	15000	0	120000	1.26
Pradeep R Datar	91225	0.93	0	5413	85812	0.87
Vikram Mohandeep Chandiramani	51568	0.53	892	0	52460	0.53
Jigna Kanayalal Shah	47000	0.48	0	0	47000	0.48
Varsha Sharad Shah	41000	0.42	0	0	41000	0.42
Padma Jitendra Parekh	35541	0.36	0	0	35541	0.36
Sudhaben Shah Kanayalal	30000	0.30	0	0	30000	0.30
Shubhangi Ghanashyam Chendwankar	28435	0.28	0	0	28345	0.28
Saraiya Bhavin Ramakant	24882	0.25	2222	0	27104	0.27

Note: Top ten (10) shareholders as on 31<sup>st</sup> March, 2018 have been considered for the above disclosure.

**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. Kejal Pandya*	00	0.00	0	0	00	0.00
For EACH OF THE KMP						
Mr. G S Venkatachalam (CEO)	4842	0.04	1000	0.01	5842	0.05
Ms. Scany Parmar (CS)	2	0	0	0	2	0.00
Mr. Sudip Ray**	00	0.00	0	0	0	0.00

\*Mrs. Kejal Pandya was appointed as Additional Director of the Company with effect from 27<sup>th</sup> April, 2018.

\*\*Mr. Sudip Ray is appointed as the Chief Financial Officer of the Company with effect from 4<sup>th</sup> May, 2018.

## V) INDEBTEDNESS–

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,20,62,835	75,00,000	-	6,95,62,835
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,53,260	-	-	4,53,260
<b>Total (i+ii+iii)</b>	<b>6,25,16,095</b>	<b>75,00,000</b>	<b>-</b>	<b>7,00,16,095</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	6,25,16,095	75,00,000	-	7,00,16,095
<b>Net Change</b>	<b>6,25,16,095</b>	<b>75,00,000</b>	<b>-</b>	<b>7,00,16,095</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. G S Venkatachalam	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,60,000	33,60,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,18,188	1,18,188
	(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...	6,00,000	6,00,000
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>40,78,188</b>	<b>40,78,188</b>

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

SN.	Particulars of Remuneration	Name of Directors					Total Amount
1	<b>Independent Directors</b>	<b>Rajendra Chhabra</b>	<b>Dhruv Kaji</b>	<b>Ambrish Dalal</b>	<b>Darshana Mankad</b>	<b>Shreyas Mehta</b>	
	Fee for attending board/committee meetings	2.76	0.40	0.60	1.00	0.60	5.36
	Commission*	1.06	0.42	0.42	NIL	0.42	2.32
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	3.82	0.82	1.02	1.00	1.02	7.68
2	<b>Other Non-Executive Directors</b>	<b>Yogesh M Kothari</b>	<b>Amit M Mehta</b>	<b>Kirat Patel</b>			
	Fee for attending board/committee meetings	1.26	1.35	2.70			5.31
	Commission*	2.54	2.54	1.06	-	-	6.14
	Others, please specify	NIL	NIL	NIL	-	-	NIL
	Total (2)	3.80	3.89	3.76	-	-	11.45
	Total (B)=(1+2)						19.13

\*Commission is payable for the year 2017-18

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN**

**MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		<b>CEO</b>	<b>CS</b>	<b>CFO</b>	<b>Total</b>
1	Gross salary	Mr. G S Venkatachalam	Ms. Scany Parmar	Mr. A R Chaturmutha	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,60,000	2,78,700	2,66,158	39,04,858
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,18,188	7,065	26,400	1,51,653
	(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*	6,00,000	NA	NA	600,000
	- as % of profit	NA	NA	NA	NA
	others, specify...	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total	40,78,188	2,85,765	2,92,558	46,56,511

**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)
<b>A. COMPANY</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

## ANNEXURE-F

### Particulars regarding employees Remuneration {Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016}

#### Disclosure as per Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

SR. NO.	REQUIRMENTS	DISCLOSURE
I	The ratio of remuneration of each director to the median remuneration of the employees for the financial year.	G.S.VENKATACHALAM : 18.02 x
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Mr. G S Venkatachalam (CEO/ED) : 31.45% Mr. A R Chaturmutha (CFO) : 9.6 % Ms. Scany Parmar (CS) : 12.7%
III	The percentage increase in the median remuneration of the employees in the financial year.	The median remuneration of the employees in FY 2018 was increased by 36%.
IV	The number of permanent employees on the rolls of the Company	91 as on March 31, 2018.
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in 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
VI	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 Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



## **ANNEXURE-G**

### **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 31<sup>st</sup> March, 2018

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 31<sup>st</sup> March, 2018 (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 31<sup>st</sup> March, 2018 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, 2015;
  - (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

- (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.) 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. There was no change in the composition of the Board of Directors during the period under review.

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.

Generally, 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 : 4<sup>th</sup> May, 2018

*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.*

**“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.

**For, Sandip Sheth & Associates**  
*Practicing Company Secretaries*

**Sandip Sheth**  
Partner

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2018

FCS No:- 5467  
COP No.:4354

## ANNEXURE – H

### CORPORATE GOVERNANCE REPORT

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 31<sup>st</sup> March, 2018, the Board of Directors of the Company comprises of Seven (7) Non-Executive Directors and One (1) Executive Director and amongst them Four (4) are Independent Directors, who brings in a wide range of skills and experience. The Board Members consists of persons with professional expertise and experience in various fields of Chemicals, Marketing, Finance, Management, Accountancy, etc. and the composition of the Board is in conformity with the amendments in the 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 31<sup>st</sup> March, 2018, 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.	Mr. Kirat Patel	Non-Executive Director
5.	Mr. Dhruv Kaji	Non-Executive Independent Director
6.	Mr. Rajendra Chhabra	Non-Executive Independent Director
7.	Dr. Ambrish Dalal	Non-Executive Independent Director
8.	Mr. Shreyas Mehta	Non-Executive Independent Director

#### **RESPONSIBILITIES OF BOARD OF DIRECTORS:**

The Board has a variety of matters related to the operations of the Company for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources and reporting to Shareholders. During the year under review, the Board met Six (6) 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 24<sup>th</sup> January, 2018 without the attendance of non-independent Directors and members of management, inter alia to:

- 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, Six (6) Board Meetings were held respectively on 11<sup>th</sup> April, 2017, 28<sup>th</sup> April, 2017, 20<sup>th</sup> July, 2017, 22<sup>nd</sup> August, 2017, 9<sup>th</sup> November, 2017 and 24<sup>th</sup> January, 2018. Details of attendance at the Board Meetings and Annual General Meeting for each Director along with their other Directorships are as stated herein below:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Category of Directorship</b>	<b>No. of Board Meetings attended out of 6 held</b>	<b>Attended last AGM held on 20/07/2017</b>
1.	Mr. Yogesh M. Kothari	Chairman –NED / PD	6	Yes
2.	Mr. Amit M. Mehta	Vice Chairman –NED/PD	6	Yes
3.	Mr. G. S. Venkatachalam	ED	6	Yes
4.	Mr. Kirat Patel	NED	6	Yes
5.	Mr. Rajendra Chhabra	NED-I	6	Yes
6.	Mr. Dhruv Kaji	NED-I	2	No
7.	Dr. Ambrish Dalal	NED-I	2	No
8.	Mr. Shreyas Mehta	NED-I	3	No
9.	Mrs. Darshana Mankad*	NED-I	3	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.

\*Mrs. Darshana Mankad, resigned with effect from 24<sup>th</sup> January, 2018 from the Board of M/s. Diamines and Chemicals Limited.

**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	02	01	02
Mr. Amit M. Mehta	01	-	01
Mr. Kirat Patel	03	01	03
Mr. Dhruv Kaji	05	-	-
Mr. Rajendra Chhabra	01	01	01
Mr. G.S. Venkatachalam	-	-	-
Dr. Ambrish Dalal	-	01	-
Mr. Shreyas Mehta	01	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 14<sup>th</sup> 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 Audit Committee is as stated below:

Name	Designation	Category
Mr. Rajendra Chhabra	Chairman	Non-Executive & Independent Director
Mr. Kirat Patel	Member	Non-Executive Director
Ms. Kejal Pandya	Member	Non-Executive & Independent Director

**NOTE:-** Mrs. Darshana Mankad, Member of the Audit Committee and Independent Director resigned from the Board of the Company with effect from 24<sup>th</sup> January, 2018.

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 Audit Committee.

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

#### **Meetings and attendance during the year:**

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

Member	Attendance at Audit Committee Meetings held on			
	24.04.2017	18.08.2017	07.11.2017	22.01.2018
Mr. Rajendra Chhabra	Yes	Yes	Yes	Yes
Mr. Kirat Patel	Yes	Yes	Yes	Yes
Mrs. Darshana Mankad*	Yes	Yes	Yes	Yes

\*Mrs. Darshana Mankad resigned from the Board with effect from 24<sup>th</sup> January, 2018.

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 41<sup>st</sup> Annual General Meeting held on 20<sup>th</sup> July, 2017.

#### **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. The Chairman of the Stakeholder Relationship Committee (Mr. Yogesh Kothari) was present at the 41<sup>st</sup> Annual General Meeting held on 20<sup>th</sup> July, 2017.

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	2	2
Miscellaneous	Nil	Nil
<b>Total</b>	<b>0</b>	<b>0</b>

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 Chairman of the Nomination and Remuneration Committee (Dr. Ambrish Dalal) was not present at the 41st Annual General Meeting held on 20th July, 2017. The nomination and remuneration committee meetings were held on 28<sup>th</sup> April, 2017 and 24<sup>th</sup> January, 2018.

### **Details of remuneration paid to the Executive Director (s) for the financial year 2017 – 2018.**

(₹ In Lacs.)

Name of Director	Designation	Salary & Allowance	Perquisite	Commission ₹	Total
Mr. G. S. Venkatachalam	Executive Director	33.60	1.18	6.00	40.78

### **REMUNERATION PAID/PAYABLE TO NON-EXECUTIVE DIRECTORS:**

The remuneration paid to non-executive Directors for the year from 01.04.2017 to 31.03.2018 is as under:

(₹ in lacs)

Name	Remuneration	Sitting Fee	Commission	Total
Mr. Yogesh Kothari	Nil	1.26	2.54	3.80
Mr. Amit Mehta	Nil	1.35	2.54	3.89
Mr. Kirat Patel	Nil	2.70	1.06	3.76
Mr. Rajendra Chhabra	Nil	2.76	1.06	3.82
Dr. Ambrish Dalal	Nil	0.60	0.42	1.02
Mr. Dhruv Kaji	Nil	0.42	0.42	0.82
Mr. Shreyas Mehta	Nil	0.60	0.42	1.02
Mrs. Darshana Mankad	Nil	1.00		1.00

- Remuneration includes salary & perquisites. The Company does not have any stock option scheme.

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. Kejal Pandya*	0

\*Mrs. Kejal Pandya is appointed as an Additional Director with effect from 27<sup>th</sup> April, 2018.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Composition of the Corporate Social Responsibility Committee and details of meetings attended by the Members of the Corporate Social Responsibility Committee during the financial year 2017-2018 are given below:

Name	Position in Committee	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Amit Mehta	Chairman	Non-Executive Director	1	1
Mr. Rajendra Chhabra	Member	Independent Director	1	1
Mr. Kirat Patel	Member	Non-Executive Director	1	1

**Formation of CSR Committee:**

The Board in its meeting held on 28<sup>th</sup> April, 2018, formulated and adopted Corporate Social Responsibility (CSR) Policy and composed / formed Corporate Social Responsibility (CSR) Committee to determine the scope, applicability and determine of the Corporate Social Responsibility Expenditure.

**Terms of Reference:**

The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR activities.

**CSR Policy**

The Company has formulated CSR Policy and the same is available at the website of the Company at <http://www.dacl.co.in>.

Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.

**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 review. 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 4<sup>th</sup> May, 2018 to approve the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2018.

**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, Half Yearly and Annual Financial Results are published in the Business Standard (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](http://www.dacl.co.in).

## GENERAL SHAREHOLDER INFORMATION:

1. Book Closure Date	31 <sup>st</sup> July, 2018 to 6 <sup>th</sup> August, 2018 (both days inclusive)
2. Date, Time and Venue of the 42 <sup>nd</sup> Annual General Meeting	6 <sup>th</sup> August, 2018 at 12.00 Noon at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346.
3. Listing on Stock Exchanges	Bombay Stock Exchange Ltd., Floor 25, 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 2017 – 2018.
5. Registered Office/Plant location and address for correspondence	Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346. Tel: 0265 – 3920200 Fax: 0265 – 2230 218 e-mail: <a href="mailto:info@dacl.co.in">info@dacl.co.in</a> website: <a href="http://www.dacl.co.in">www.dacl.co.in</a>
6. Place where Share Transfers are to be lodged:	In view of the SEBI circular, every listed company is required to appoint one common agency for handling both Physical & Demat related services in respect of its shares. 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.
(a) In Physical form	<b><u>Branch Manager</u></b> M/s. MCS Share Transfer Agent Ltd. 88, Neelam Apt, Above Chappan Bhog, Sampatrao Colony, Alkapuri, VADODARA – 390 007 Tel No:-0265-2339397 Fax: 0265 – 2341639 ----- As above-----
(b) In Electronic form	

7. International Securities Identification Number (ISIN)	INE 591D01014
8. Compliance Officer	Ms. Scany Parmar Tel no: 0265 3920200 Email: <a href="mailto:secretarial@dacl.co.in">secretarial@dacl.co.in</a>
9. Date, Time and Venue for the last 3 (Three) A.G.M.'s.	41st A.G.M.-20th July, 2017 at 12.00 noon held at the Registered office of the Company 40th A.G.M.-19th September, 2016 at 12.00 noon held at the Registered office of the Company 39th A.G.M.-11th August, 2015 at 12.00 noon held at the Registered office of the Company *No Postal Ballots were used/invited for voting at these meetings.
10. Special resolutions passed.	41 <sup>st</sup> A.G.M. – NIL 40 <sup>th</sup> A.G.M. – 2 Special Resolutions were passed 39 <sup>th</sup> A.G.M. – 3 Special Resolutions were passed *No Postal Ballots were used/invited for voting at these meetings.
11. Closing Price of the Company's Shares on 31 <sup>st</sup> March, 2018. Bombay Stock Exchange (BSE)	₹ 86/-
12. Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March each year.
13. Dividend declared for current and earlier years	2016 -17 : 15% 2015-16, 2014-15 : NIL
14. Trading in Shares (Electronic Form) on Stock Exchanges	SEBI has made trading in the Company's Shares compulsory in electronic form for all categories of Investors.

**MARKET PRICE DATA:** High and low during each month in the last financial year:

Sr. No.	Month	The Stock Exchange, Mumbai	
		High (₹)	Low (₹)
1	April, 2017	78.00	54.25
2	May, 2017	86.70	72.20
3	June, 2017	85.95	72.65
4	July, 2017	85.95	73.05
5	August, 2017	80.01	67.00
6	September, 2017	106.45	74.50
7	October, 2017	104.90	83.50
8	November, 2017	109.65	92.10
9	December, 2017	114.00	91.40
10	January, 2018	123.30	100.00
11	February, 2018	119.00	90.25
12	March, 2018	108.35	81.00

**DISTRIBUTION OF SHAREHOLDING: (as on 31<sup>st</sup> March, 2018)**

Shareholding of nominal value			Shareholders		Share Amount	
₹	(1)	₹	Number(2)	% of total (3)	₹ (4)	% of total(5)
Upto	-	500	8115	90.76	9117330	9.32
501	-	1,000	400	4.47	3108640	3.18
1,001	-	2,000	208	2.33	3154830	3.22
2,001	-	3,000	69	0.77	1761260	1.80
3,001	-	4,000	29	0.32	1019760	1.04
4,001	-	5000	24	0.27	1104180	1.13
5,001	-	10,000	47	0.53	3356920	3.43
10,001	-	50,000	34	0.38	8000360	8.18
50001	-	100,000	5	0.06	3519530	3.60
Above	-	100000	10	0.11	63689590	65.10
<b>TOTAL</b>			8941	100.00	97832400	100.00

**SHAREHOLDING PATTERN: (as on 31<sup>st</sup> March, 2018)**

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.	3637	0.03
3	Other Corporate Bodies	149254	0.01
4	Public	3091418	31.60
5	NRI's	160154	0.02
6	Any Other	0	0
<b>TOTAL</b>		9783240	100.00%

**DEMATERIALISATION OF SHARES: (as on 31<sup>st</sup> March, 2018)**

Particulars	No. of Equity Shares	% to Share Capital
NSDL	84,98,531	86.87%
CDSL	9,21,200	9.42%
Physical	3,63,509	3.71%
<b>TOTAL</b>	<b>97,83,240</b>	<b>100%</b>

**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.
- The Company has in place a Whistle Blower Policy through which Directors, Employees and other Stakeholders may report their genuine concerns or grievances. The Whistle Blower Policy of the Company has been disclosed on the website of the Company at [http://www.dacl.co.in/investors/Whistle\\_blower\\_policy-DACL.pdf](http://www.dacl.co.in/investors/Whistle_blower_policy-DACL.pdf). No personnel have been denied access to the Audit Committee to report its genuine concerns or grievances.
- The Risk Management Policy, as required by Listing Regulations, is Not Applicable to the Company.
- The Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Conduct for fair disclosures pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015.

As required by Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has approved the Policy for Preservation of Documents and Archival Policy and the same is available at the website of the Company at <http://www.dacl.co.in/investors/POLICY%2520FOR%2520PRESERVATION%2520OF%2520DOCUMENTS.pdf>

**FOR DIAMINES AND CHEMICALS LTD**

**Mumbai, Dated: May 4, 2018.**

**Yogesh M Kothari**  
**Chairman**  
**DIN: 00010015**

## **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 31<sup>st</sup> March, 2018, received from the Senior Management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management team means the Chief Financial Officer and employees in the Executive Vice President cadre as on March 31, 2018.

**Sd/-**  
**G S Venkatachalam**  
**Executive Director**  
**DIN: 02205898**

**Place : Mumbai**  
**Date : May 4, 2018**

CIN: - L24110GJ1976PLC002905

Nominal Capital: - 1,75,500,000/-

Paid-up Capital: - 97,832,400/-

## **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,  
The Members,  
**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 para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, for the financial year ended 31<sup>st</sup> March, 2018. 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 para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

Place : Ahmedabad  
Date : April 28, 2016

Sandip Sheth & Associates  
*Practicing Company Secretaries*  
Firm Unique Code : P2001GJ041000

Date : 4th May, 2018  
Place : Ahmedabad

SD/-  
Sandip Sheth  
*Partner*  
FCS: 5467  
CP No. : 4354



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**Diamines and Chemicals Limited**

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS Financial Statements of **Diamines and Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (herein after referred to as "Ind AS Financial Statements")

### **Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 fair presentation of the Ind AS 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 Ind AS 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 there under.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

Ind AS 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 including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 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 it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
  - e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of internal financial controls over financials reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations on the financial position in its Ind AS financial statements. Refer Note 34 of the Ind AS 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; and
    - 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, 2018.
  - h. 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 enclose in 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's Registration No. 100991W

**PARESH H. CLERK**  
Partner  
Membership No. 36148

Place : MUMBAI  
Date : May 4, 2018.

## **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 Ind AS financial statements for the year ended March 31, 2018.

### **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 at March 31, 2018 in conjunction with our audit of the Ind AS 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 the 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 the 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 Act.

#### **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 Act, to the extent applicable to an audit of internal financial controls, 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 Ind AS 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 Ind AS 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 the 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, 2018, 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 issued by the ICAI.

**Place:** Mumbai  
**Date:** May 4, 2018

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

**PARESH H. CLERK**  
Partner  
Membership No.36148

## **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 Ind AS financial statements for the year ended March 31, 2018.

### **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 Property, Plant and Equipment ("PPE").
  - b. The PPEs have been physically verified by the management according to a phased programme designed to cover all the PPEs over a period of three years, which, in our opinion, provides for physical verification of all the PPEs at reasonable intervals. Pursuant to the programme, all the PPEs have been verified by the management in the financial year 2015-16, 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 3A on Property, Plant and Equipment to the Ind AS 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: (₹ in Lakhs)

Gross Block as at March 31, 2018	Net Block as at March 31, 2018
9.49	5.00

- 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. 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. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of investments made. Further, 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 deposits 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 opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of 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, Goods and Service 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 herein below are the details of dues of

Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Sr. No.	Name of statute (Nature of the dues)	Amount (₹ in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
1	The Income-tax Act, 1961 (Income-tax)	160.35	Financial Year 2008-09	Gujarat High Court (Appeals)
2	The Income-tax Act, 1961 (Income-tax)	80.65	Financial Year 2009-10	Income-tax Appellate Tribunal – Ahmedabad Bench (Appeals)
3	The Income-tax Act, 1961 (Income-tax)	0.08	Financial Year 2011-12	Income-tax Appellate Tribunal – Ahmedabad Bench (Appeals)
4	The Finance Act, 1994 (Service tax/ Excise)	76.78	Financial Year 2005-06 to 2016-17	Commissioner of Central Excise (Appeals)
5	The Foreign Trade (Development and Regulation) Act, 1992	53.65	Financial Year 1993-94 to 1997-98	Joint 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 to banks. The Company has not taken any loan or borrowing from financial institutions or Government and has not issued any debenture during the year.
- 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.
- 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.
- 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 Ind AS 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  
**Date :** May 4, 2018

**BALANCE SHEET AS AT MARCH 31, 2018**

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current Assets</b>				
(a) Property, Plant and Equipment	3A	2,413.87	2,544.58	2,733.10
(b) Capital work-in-progress	3B	51.55	20.95	NIL
(c) Financial Assets				
(i) Investments	4	66.45	93.05	75.54
(ii) Loans	5	0.39	0.40	993.23
(d) Other Non-current Assets	6	4.59	4.89	4.17
(e) Advance Tax (Net of Provisions)	7	124.79	117.50	137.11
<b>Total Non-current Assets</b>		<b>2,661.64</b>	<b>2,781.37</b>	<b>3,943.15</b>
<b>Current Assets</b>				
(a) Inventories	8	673.49	767.93	922.63
(b) Financial Assets				
(i) Trade Receivables	9	790.06	824.62	738.09
(ii) Cash and Cash Equivalents	10	48.08	0.28	0.55
(iii) Other Bank Balances	11	1,020.63	56.32	55.18
(iv) Other Financial Assets	12	29.29	12.53	30.40
(c) Other Current Assets	13	41.61	52.64	157.86
(d) Asset Held for Disposal	14	NIL	904.89	NIL
<b>Total Current Assets</b>		<b>2,603.16</b>	<b>2,619.21</b>	<b>1,904.71</b>
<b>Total Assets</b>		<b>5,264.80</b>	<b>5,400.58</b>	<b>5,847.86</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	15	978.32	978.32	978.32
(b) Other Equity	16	3,282.66	2,779.26	2,361.80
<b>Total Equity</b>		<b>4,260.98</b>	<b>3,757.58</b>	<b>3,340.12</b>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	NIL	102.50	353.89
(ii) Other Financial Liabilities	18	7.58	11.57	12.94
(b) Provisions	19	33.28	29.67	28.58
(c) Deferred Tax Liabilities (Net)	20	394.98	497.38	526.52
<b>Total Non-current Liabilities</b>		<b>435.84</b>	<b>641.12</b>	<b>921.93</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	21	NIL	343.13	874.00
(ii) Trade Payables	22	364.77	189.64	204.21
(iii) Other Financial Liabilities	23	105.90	410.43	474.02
(b) Provisions	24	52.90	31.07	33.23
(c) Other Current Liabilities	25	1.63	18.17	0.35
(d) Current Tax Liabilities (Net)	26	42.78	9.44	NIL
<b>Total Current Liabilities</b>		<b>567.98</b>	<b>1,001.88</b>	<b>1,585.81</b>
<b>Total Liabilities</b>		<b>1,003.82</b>	<b>1,643.00</b>	<b>2,507.74</b>
<b>Total Equity and Liabilities</b>		<b>5,264.80</b>	<b>5,400.58</b>	<b>5,847.86</b>
<b>Significant Accounting Policies</b>	2			
<b>See accompanying notes forming part of the financial statements</b>	3 to 45			

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 4, 2018

For and on behalf of the Board of Directors

**YOGESH KOTHARI**

Chairman

**G.S.VENKATACHALAM**

Executive Director

**SCANY PARMAR**

Company Secretary

**AMIT MEHTA**

Vice Chairman

**SUDIP RAY**

Chief Financial Officer

PLACE : MUMBAI

DATED : May 4, 2018



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018****(₹ in Lakhs)**

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from Operations	27	3,949.18	3,875.44
II Other Income	28	45.11	6.94
III Total Income (I+II)		3,994.29	3,882.38
IV EXPENSES			
Cost of Materials Consumed	29	1,278.49	1,629.80
Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade	30	168.85	(77.44)
Excise Duty		105.41	397.42
Employee Benefits Expense	31	373.61	348.61
Finance Costs	32	31.98	172.79
Depreciation and Amortisation Expense	3A	194.81	194.59
Other expenses	33	864.69	643.02
Total Expenses		3,017.84	3,308.79
V Total Profit/(loss) before exceptional items and tax (III-IV)		976.45	573.59
VI Exceptional Items	33A	152.52	NIL
VII Profit/(loss) before tax (V-VI)		823.93	573.59
VIII Tax expense:			
(a) Current Tax	36	216.55	150.00
(b) Deferred Tax	36	(101.52)	(56.22)
Total tax expenses		115.03	93.78
IX Profit for the year (VII-VIII)		708.90	479.81
X Other Comprehensive Income			
A. Items that will not be reclassified subsequently to profit or loss			
i. Remeasurement gain/(loss) on the Defined Benefit Plans		(3.17)	(1.18)
ii. Gain/(loss) on measuring equity instruments at Fair Value through Other Comprehensive Income (FVTOCI)		(26.60)	22.52
iii. Income tax on (i) above		0.88	0.39
B. Items that will be reclassified subsequently to profit or loss		NIL	NIL
Other Comprehensive Income		(28.89)	21.73
XI Total Comprehensive Income for the year (IX+X)		680.01	501.54
Earnings per equity share (Face Value ₹ 10 Per Share)			
Basic and Diluted (in ₹)		7.25	4.90
Significant Accounting Policies	2		
See accompanying notes forming part of the financial statements	3 to 45		

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 4, 2018

**YOGESH KOTHARI**

Chairman

**G.S.VENKATACHALAM**

Executive Director

**SCANY PARMAR**

Company Secretary

**AMIT MEHTA**

Vice Chairman

**SUDIP RAY**

Chief Financial Officer

PLACE : MUMBAI

DATED : May 4, 2018



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before tax	823.93	573.59
<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:</b>		
Depreciation	194.81	194.59
Dividend Income	(0.22)	(0.62)
Interest Income	(25.50)	(4.11)
Finance Costs	31.98	172.79
Loss on Property, Plant and Equipment Sold	152.52	NIL
Unrealised Loss on Foreign Exchange	(7.69)	(12.22)
Adjustment pursuant to the Scheme of arrangement	NIL	(84.08)
Provision no longer required and Accounts written back	NIL	(0.18)
<b>Operating Profit Before Changes in Working Capital</b>	<b>1,169.82</b>	<b>839.76</b>
<b>Adjustment for Changes in Working Capital</b>		
Trade Receivables	34.57	(86.52)
Inventories	94.44	154.69
Financial Assets and Other Assets	(5.73)	122.89
Trade Payables	175.13	(14.57)
Other Financial Liabilities	(308.53)	(64.95)
Other Liabilities and provisions	10.76	25.04
Long-term Loans and Advances and Other Non-current Assets	0.31	2.25
<b>Cash generated from Operations</b>	<b>1,170.78</b>	<b>978.59</b>
Income-tax paid	(187.84)	(90.55)
<b>NET CASH FLOW FROM OPERATING ACTIVITY (A)</b>	<b>982.94</b>	<b>888.04</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	25.50	4.11
Dividend Received	0.22	0.62
Purchase of Property, Plant and Equipment	(94.75)	(931.64)
Sale of Property, Plant and Equipment	752.44	NIL
Sale of Investments	NIL	5.00
Advance given to Subsidiary Company	NIL	989.86
Deposits held as Margin Money/FD	(965.13)	(2.51)
<b>NET CASH FLOW FROM INVESTING ACTIVITY (B)</b>	<b>(281.72)</b>	<b>65.44</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Costs Paid	(31.98)	(172.79)
Dividend Paid (Including Dividend Distribution Tax)	(176.62)	NIL
Repayment of Non-current Borrowings	(102.50)	(251.39)
Increase / (Decrease) in Current Borrowings	(343.13)	(530.88)
<b>NET CASH FLOW FROM FINANCING ACTIVITY (C)</b>	<b>(654.23)</b>	<b>(955.05)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b>	<b>46.98</b>	<b>(1.63)</b>
Cash on hand	10	0.37
Balances with scheduled banks on current account, margin accounts and fixed deposit accounts	10 and 11	12.94
Cash Credit and demand loans	10	0.18
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>11.86</b>	<b>13.49</b>
Cash on hand	10	0.28
Balances with scheduled banks on current account, margin accounts and fixed deposit accounts	10 and 11	11.57
Cash Credit and demand loans	10	NIL
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>58.83</b>	<b>11.86</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>46.98</b>	<b>(1.63)</b>

**Notes:**
**1. Disclosure in terms of amendment to Ind AS 7 on "Statement of Cash Flows" to evaluate changes in Liabilities arising from financial activities:**

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheets for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any impact on the financial statements.

(₹ in Lakhs)				
Particulars	As at March 31, 2017	Cash Flows	Non-cash changes	As at March 31, 2018
<b>Non-current Borrowings (Refer Note 19)</b>	<b>102.50</b>	<b>(102.50)</b>	NIL	NIL
<b>Current Borrowings (Refer Note 21)</b>	<b>343.13</b>	<b>(343.13)</b>	NIL	NIL
<b>Total</b>	<b>445.63</b>	<b>(445.63)</b>	<b>NIL</b>	<b>NIL</b>

2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. Figures in brackets represent outflows / deductions.

**Significant Accounting Policies**
**2**
**See accompanying notes forming part of the financial statements**
**3 to 45**

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 4, 2018

For and on behalf of the Board of Directors

**YOGESH KOTHARI**

Chairman

**G.S.VENKATACHALAM**

Executive Director

**SCANY PARMAR**

Company Secretary

**AMIT MEHTA**

Vice Chairman

**SUDIP RAY**

Chief Financial Officer

PLACE : MUMBAI

DATED : May 4, 2018

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

<b>A. Equity Share Capital</b>					(₹ in Lakhs)
Particulars					Amount
Balance as at April 1, 2016					978.32
Add: Changes in Equity Share Capital					NIL
Balance as at March 31, 2017					978.32
Add: Changes in Equity Share Capital					NIL
Balance as at March 31, 2018					978.32
<b>B. Other Equity</b>					(₹ in Lakhs)
Particulars	Note No.	Reserves & Surplus		Equity	Total
		General Reserve	Retained Earnings	Instrument through OCI	
Balance as at April 1, 2016		517.12	1,782.02	62.66	2,361.80
Profit for the year			479.81	NIL	479.81
Other Comprehensive Income					
- Remeasurement gain/(loss) on Defined Benefit Plans (Net of tax)			(0.79)	NIL	(0.79)
- Effect of measuring equity instruments at Fair Value through other Comprehensive Income			NIL	22.52	22.52
<b>Total Comprehensive Income for the year</b>			<b>479.02</b>	<b>22.52</b>	<b>501.54</b>
Adjustment pursuant to the scheme of arrangement	44		(84.08)	NIL	(84.08)
Balance as at March 31, 2017		517.12	2,176.96	85.18	2,779.26
Profit for the year			708.90	NIL	708.90
Other Comprehensive Income for the year					
- Remeasurement gain/(loss) on Defined Benefit Plans (Net of tax)			(2.28)	NIL	(2.28)
- Effect of measuring equity instruments at Fair Value through other Comprehensive Income			NIL	(26.60)	(26.60)
<b>Total Comprehensive Income for the year</b>			<b>706.62</b>	<b>(26.60)</b>	<b>680.02</b>
Dividends (Includes Dividend Distribution Tax)	16		(176.62)	NIL	(176.62)
Balance as at March 31, 2018		517.12	2,706.96	58.58	3,282.66
<b>Significant Accounting Policies</b>	2				
<b>See accompanying notes forming part of the financial statements</b>	3 to 45				

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 4, 2018

For and on behalf of the Board of Directors

**YOGESH KOTHARI**  
Chairman

**G.S.VENKATACHALAM**  
Executive Director

**SCANY PARMAR**  
Company Secretary

**AMIT MEHTA**  
Vice Chairman

**SUDIP RAY**  
Chief Financial Officer

PLACE : MUMBAI  
DATED : May 4, 2018

**NOTES FORMING PART OF FINANCIAL STATEMENTS****1. Corporate Information**

**Diamines and Chemicals Limited** ("the Company") is engaged in business of manufacturing and marketing of organic chemicals compounds.

The Company is a public limited company incorporated and domiciled in India and has registered office in Vadodara. Equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE)

The financial statements for the year ended March 31, 2018 are approved for issue by the Company's Board of Directors May 4, 2018.

**2. Significant Accounting Policies****2.1 Basis of Preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

For all period's up to and including the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with Accounting Standards specified under Section 133 of the Act read with applicable rules and the relevant provisions of the Act ("Previous GAAP"). The figures for the year ended March 31, 2017 have now been restated as per Ind AS to provide comparability.

The financial statements for the year ended March 31, 2018 are the Company's first Ind AS standalone financial statements. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, "First-Time Adoption of Indian Accounting Standards, the date of transition to Ind AS being April 1, 2016. Refer to Note 43 for details of adoption of Ind AS.

These financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following assets and liabilities, which have been measured at fair value :

- i. Certain financial assets and liabilities (including derivative instruments) that are measured at fair value.
- ii. Defined benefits plans-plan assets measured at fair value.

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all amounts are rounded off to the nearest lakhs (INR ₹ '00,000') up to two decimals, except when otherwise indicated.

**2.2 Property, Plant and Equipment (PPE)**

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. Cost includes for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

If significant parts of an item of PPE have different useful lives, then those are accounted as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as and when they meet the definition of PPE, as specified in Ind AS 16 on "Property, Plant and Equipment".

Freehold land is carried at historical cost less impairment loss, if any

The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

### **Capital Work-in-progress**

Property, plant and equipment which are not ready for intended use on the date of balance sheet are disclosed as capital work-in-progress. It is carried at cost, less any recognised impairment loss. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

## **2.3 Depreciation/Amortisation**

Depreciation on Property, Plant and Equipment (other than Freehold Land, Leasehold Land and Capital Work-in-progress) is provided on the Straight-Line Method in accordance with requirements prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its PPE and has adopted the useful lives and residual value as prescribed therein except for Leasehold Land which is amortised over the period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Freehold land is not depreciated.

The Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of Property, Plant and Equipment is assessed based on the historical experience and internal technical inputs.

Depreciation on assets purchased/sold during the period is proportionately charged.

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

## **2.4 Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have impaired. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but up to the amount that would have been determined, had no impairment loss been recognized for that asset or cash generating unit. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

## **2.5 Inventories**

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, fuels, stores and spares are valued at lower of cost and net realisable value. Cost is determined on the basis of the first-in-first out basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **2.6 Financial Instruments**

Financial assets and Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

### **Initial Recognition:**

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Statement of Profit and Loss.

### **Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

### **Amortised Cost:**

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **Fair Value through OCI:**

A financial asset shall be classified and measured at FVOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### **Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

#### **Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

#### **Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Impairment of financial assets:**

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

For Trade Receivables, the Company measures loss allowance at an amount equal to expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

#### **Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that

continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**Financial liabilities and equity instruments:**

- Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Company are recognised at the proceeds received.

**Derecognition of financial liabilities:**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

**Offsetting:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**2.7 Derivative Financial Instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency exchange rate risks.

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at fair value at the end of each reporting period and changes are recognised in Statement of Profit and Loss.

**2.8 Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value, as reduced by bank overdrafts.

**2.9 Segment Reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.



Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue/expenses/ assets/liabilities” respectively.

## **2.10 Non-current Assets held for Sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the asset held for sale has been estimated using valuation techniques (mainly income and market approach), which include unobservable inputs.

## **2.11 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## **2.12 Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.

Provisions are made at the management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

## **2.13 Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

### **Sale of Goods**

Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, while neither continuing managerial involvement nor effective control over the goods sold is retained. Sales include excise duty but exclude Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

### **Sales Returns**

The Company accounts for sales returns by recording an allowance for sales returns. This allowance is based on the Company's historical experience of expected sales returns towards expiry, breakages and damages. The Company considers its historical experience of sales return to account for such provision. Accordingly, short-term provisions have been increased with a corresponding adjustment to Retained Earnings/ Profit and Loss.

### **Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

### **Dividends**

Dividend income from investments is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

## **2.14 Foreign Currency Transactions**

On initial recognition, transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

## **2.15 Employee Benefits:**

### **Short-term employee benefits:**

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

### **Long-term employee benefits:**

- **Defined Contribution Plan:**

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

- **Defined Benefit Plan:**

- a. **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.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive

income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

**b. 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.

## **2.16 Taxes on Income**

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

### **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## **2.17 Earnings Per Share**

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### **Research and Development**

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to Property, Plant and Equipment/ Intangible Assets.

## **2.18 First-time adoption-mandatory exceptions, optional exemptions**

### **Overall Principle**

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company detailed below:

### **Significant items are as discussed below:**

#### **i) Deemed cost for Property, Plant and Equipment and Intangible assets**

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### **ii) Investments**

The Company has elected to measure investments in Equity shares of subsidiary company at deemed cost, which is previous GAAP carrying amount at the entity's date of transition to Ind ASs in its separate financial statements. Accordingly, under Ind AS, the Company has recognised investments as follows:

- Equity shares of subsidiary company – At deemed cost
- Equity shares of other companies- At fair value through Other Comprehensive Income (FVTOCI)

## **2.19 Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Key estimates, assumptions and judgements**

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### **Income taxes**

Significant judgements are involved in determining the provision for income taxes, including amount expected

to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. Also, Refer Note 36.

### **Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

### **Employee Benefit Plans**

The cost of the defined benefit gratuity plan and other-post employment benefits and the present value of gratuity obligations and compensated absences are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### **Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### **Recoverability of Trade Receivables**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### **Fair Value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### **Impairment of Assets**

The Company has used certain judgements and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

## **Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### **2.20 Ind AS issued but not yet effective**

Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs :

#### **Ind AS 21 : The Effects of Changes in Foreign Exchange Rates**

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration is inserted to clarify the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Appendix explains that the date of the transaction, for the purpose of determining the exchange rate, to use on the initial recognition of the related asset, expense or income (or part of it) is the date on which the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the date of the transaction is determined for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on its financial statements and the impact is not material.

#### **Ind AS 115 : Revenue from Contracts with Customers**

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 on "Revenue" and Ind AS 11 on "Construction Contracts".

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Further, Ind AS 115, requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Ind AS 115 permits two possible methods of transition:

- Retrospective approach - Under this approach the standard is applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) only to contracts that are not completed contracts on that date. Under this method, cumulative effect is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period.

The effective date for adoption of Ind AS 115 is accounting period beginning on or after April 1, 2018.

The Company will adopt Ind AS on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

**3A. Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Wind/Electric Generators	Furniture and Fixtures	Office Equipments	Vehicles	Server	Computers	Total
<b>(I) Gross Block</b>											
As at April 1, 2016	31.54	189.99	138.18	1,550.52	744.33	16.98	6.78	47.21	4.16	3.41	2,733.10
Additions	NIL	NIL	NIL	1.16	NIL	0.37	1.49	NIL	3.06	NIL	6.08
Disposal / Adjustments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>As at March 31, 2017</b>	<b>31.54</b>	<b>189.99</b>	<b>138.18</b>	<b>1,551.68</b>	<b>744.33</b>	<b>17.35</b>	<b>8.27</b>	<b>47.21</b>	<b>7.22</b>	<b>3.41</b>	<b>2,739.18</b>
Additions	NIL	NIL	NIL	62.67	NIL	0.33	0.22	NIL	NIL	0.94	64.16
Disposal / Adjustments	NIL	NIL	NIL	NIL	NIL	1.34	NIL	NIL	NIL	NIL	1.34
<b>As at March 31, 2018</b>	<b>31.54</b>	<b>189.99</b>	<b>138.18</b>	<b>1,614.35</b>	<b>744.33</b>	<b>16.33</b>	<b>8.48</b>	<b>47.21</b>	<b>7.22</b>	<b>4.35</b>	<b>2,801.98</b>
<b>(II) Accumulated Depreciation</b>											
Upto March 31, 2016	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Charge for the year	NIL	3.28	7.72	105.81	55.93	1.88	1.71	15.80	1.67	0.80	194.60
Withdrawal for Disposal/Adjustments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Upto March 31, 2017</b>	<b>NIL</b>	<b>3.28</b>	<b>7.72</b>	<b>105.81</b>	<b>55.93</b>	<b>1.88</b>	<b>1.71</b>	<b>15.80</b>	<b>1.67</b>	<b>0.80</b>	<b>194.60</b>
Charge for the year	NIL	3.28	7.72	107.34	55.93	1.93	1.42	15.59	1.49	0.10	194.80
Deductions/Adjustments during the year	NIL	NIL	NIL	NIL	NIL	1.27	NIL	NIL	NIL	NIL	1.27
<b>Upto March 31, 2018</b>	<b>NIL</b>	<b>6.56</b>	<b>15.44</b>	<b>213.15</b>	<b>111.86</b>	<b>2.54</b>	<b>3.13</b>	<b>31.39</b>	<b>3.16</b>	<b>0.90</b>	<b>388.13</b>
<b>Net Block</b>											
Balance as at April 1, 2016	31.54	189.99	138.18	1,550.52	744.33	16.98	6.78	47.21	4.16	3.41	2,733.10
Balance as at March 31, 2017	31.54	186.72	130.46	1,445.87	688.39	15.47	6.55	31.41	5.55	2.61	2,544.58
<b>Balance as at March 31, 2018</b>	<b>31.54</b>	<b>183.44</b>	<b>122.74</b>	<b>1,401.20</b>	<b>632.47</b>	<b>13.80</b>	<b>5.36</b>	<b>15.82</b>	<b>4.06</b>	<b>3.45</b>	<b>2,413.87</b>

**3B. Capital Work-in-Progress**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Capital Work-In-Progress	51.55	20.95	NIL
<b>Total</b>	<b>51.55</b>	<b>20.95</b>	<b>NIL</b>

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>4. Non-current Investments</b>			
Investments Measured at Amortised Cost			
Investments In Equity Shares			
Unquoted			
Investments In Subsidiary			
50,000 Equity Shares of Diamines Speciality Chemicals Limited of face value of ₹ 10 each	NIL	NIL	5.00
Investments Measured at FVTOCI			
Investments In Equity Shares			
Quoted			
87,950 Equity Shares of Sintex Industries Limited of face value of ₹ 10 each	15.79	93.05	70.54
87,950 Equity Shares of Sintex Plastics Technology Limited of face value of ₹ 10 each	50.66	NIL	NIL
<b>Total</b>	<b>66.45</b>	<b>93.05</b>	<b>75.54</b>
<b>Aggregate Carrying Value of Unquoted Investments</b>	<b>NIL</b>	<b>NIL</b>	<b>5.00</b>
<b>Aggregate Carrying Value of Quoted Investments</b>	<b>66.45</b>	<b>93.05</b>	<b>70.54</b>
<b>5. Loans : Non-Current</b>			
Security Deposits			
(Unsecured, considered good)	0.39	0.40	3.37
Loans to Related Parties			
(Unsecured, considered good)			
To Subsidiary			
Diamines Speciality Chemical Limited	NIL	NIL	989.86
<b>Total</b>	<b>0.39</b>	<b>0.40</b>	<b>993.23</b>
<b>5.1 Particulars of Advances given - Disclosare as required under Section 186(4) for advances given :</b>			
Name of the Company - Subsidiary			
Diamines Speciality Chemical Limited	NIL	NIL	989.86
<b>6. Other Non-current Assets</b>			
Others			
Balances with Government Authorities			
- CST Demand	2.58	2.58	2.58
- VAT Demand	0.31	0.31	0.31
Prepaid Expenses	1.70	2.00	1.28
<b>Total</b>	<b>4.59</b>	<b>4.89</b>	<b>4.17</b>



(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>7. Advance Tax Assets (Net of Provisions)</b>			
Tax Paid (Net of Provision for Tax)	124.79	117.50	137.11
<b>Total</b>	<b>124.79</b>	<b>117.50</b>	<b>137.11</b>
<b>8. Inventories</b>			
Raw Materials	177.75	334.92	313.16
Add - Goods-in-Transit	94.70	40.57	38.18
	<b>272.45</b>	<b>375.49</b>	<b>351.34</b>
Finished goods	307.17	301.31	334.67
Add - Goods-in-Transit	NIL	NIL	5.71
	<b>307.17</b>	<b>301.31</b>	<b>340.38</b>
Work-in-progress	63.30	55.17	186.04
Packing materials	4.20	6.02	3.84
Fuel	10.92	10.66	12.97
Stores and Spares	15.45	19.28	28.06
<b>Total</b>	<b>673.49</b>	<b>767.93</b>	<b>922.63</b>

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Amount of Inventories recognised as Expense (Refer Note 29 and 30)	1,447.33	1,552.36
<b>Total</b>	<b>1,447.33</b>	<b>1,552.36</b>

Notes:

- The Company has availed working capital facilities and other non-fund based facilities viz., Bank Guarantees and Letter of Credits, which are secured by hypothecation of Inventories.
- The cost of inventories recognised as an expense includes ₹ 14.55 lakhs (2016-17 : Nil) in respect of write-downs of inventory to net reliable value
- For Inventory valuation Refer Note No. 2.5

## 9. Trade Receivables

### Trade Receivables at Amortised Cost

Unsecured, Considered Good	797.37	824.62	738.09
Less : Provision for Expected Credit Loss (Refer Note 2.6)	(7.31)	NIL	NIL
<b>Total</b>	<b>790.06</b>	<b>824.62</b>	<b>738.09</b>

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>10. Cash and Cash Equivalents</b>			
Balances with Banks			
Current Account	1.00	NIL	NIL
Cash Credit Account	46.70	NIL	0.18
Cash on hand	0.38	0.28	0.37
<b>Total</b>	<b>48.08</b>	<b>0.28</b>	<b>0.55</b>
<b>11. Bank Balances other than Cash and Cash Equivalents</b>			
Balances with Banks on Margin Accounts	9.58	9.00	8.33
Fixed Deposits with maturity within 12 months from the Balance Sheet date	1,000.30	35.75	33.91
Unclaimed Dividend	10.75	11.57	12.94
<b>Total</b>	<b>1,020.63</b>	<b>56.32</b>	<b>55.18</b>
<b>12. Other Financial Assets : Current</b>			
Wind farm receivable	2.80	2.61	17.37
Interest Receivable	19.04	8.74	12.44
Other Receivable (Insurance Advance)	NIL	0.73	0.59
Forward Contract Receivable	7.45	0.45	NIL
<b>Total</b>	<b>29.29</b>	<b>12.53</b>	<b>30.40</b>
<b>13. Other Current Assets</b>			
Capital advances	6.76	NIL	NIL
Advances other than capital advances			
Balances with Excise and VAT Authorities	NIL	18.23	124.57
Prepaid Expenses	29.80	31.35	31.20
Other Advances			
- Advances given to Supplier for purchase of material	5.05	3.06	2.09
<b>Total</b>	<b>41.61</b>	<b>52.64</b>	<b>157.86</b>
<b>14. Asset Held for Disposal</b>			
Asset Held for Disposal (Refer Note 45)	NIL	904.89	NIL
<b>Total</b>	<b>NIL</b>	<b>904.89</b>	<b>NIL</b>

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>15. Equity Share Capital</b>			
<b>Authorised</b>			
17,550,000 (17,500,000) Equity shares of ₹ 10/- par value	<b>1,755.00</b>	1,755.00	1,750.00
<b>Total Authorised share Capital</b>	<b>1,755.00</b>	1,755.00	1,750.00
9,783,240 (9,783,240) Equity Shares ₹ 10/- par value fully paid - up	<b>978.32</b>	978.32	978.32
<b>Total Issued, Subscribed and Paid up Share Capital</b>	<b>978.32</b>	978.32	978.32

**a. Reconciliation of the number of shares outstanding :** (₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount ₹ in	No. of Shares	Amount ₹ in	No. of Shares	Amount ₹ in
Shares at the beginning	97,83,240	978.32	97,83,240	978.32	97,83,240	978.32
Changes during the year	NIL	NIL	NIL	NIL	NIL	NIL
Equity Shares outstanding at the end of the year	97,83,240	978.32	97,83,240	978.32	97,83,240	978.32

**Rights, preferences and restrictions**

- 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.
- 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.
- The Board of Directors in their meeting held on May 4, 2018 have recommended a dividend of ₹ 2.5 per Equity Share (previous year ₹ 1.5 per equity share) to be approved by the shareholders in the ensuing general meeting. On approval, this will result in an outflow of ₹ 292.61 Lakhs (previous year ₹ 176.62 Lakhs) including dividend tax.

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

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% Holding	No. of Shares	% Holding
Alkyl Amines Chemicals Limited	29,77,996	30.44%	29,77,996	30.44%
Mr. Amit Mehta	8,62,099	8.81%	8,62,099	8.81%
Perfochem (I) Private Limited	8,40,000	8.59%	8,40,000	8.59%
Mrs. Cherry Amit Mehta	6,95,178	7.11%	6,95,178	7.11%
<b>Total</b>	<b>53,75,273</b>	<b>54.94%</b>	<b>53,75,273</b>	<b>54.94%</b>

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>16. Other Equity</b>			
General Reserve			
As per last Balance Sheet	517.12	517.12	
	517.12	517.12	517.12
Retained Earnings			
As per last Balance Sheet	2,176.96	1,782.02	
Add: Net Profit for the year	708.89	479.81	
Add: Other Comprehensive Income (Net of Tax)	(2.28)	(0.79)	
Add: Adjustment pursuant to the scheme of arrangement	NIL	(84.08)	
Less: Appropriations			
- Dividend Paid	(146.75)	NIL	
- Tax on Dividend Paid	(29.87)	NIL	
	2,706.96	2,176.96	1,782.02
<b>Equity Instruments for Other Comprehensive Income</b>			
As per last Balance Sheet	85.18	62.66	
Add: Additions during the year	(26.60)	22.52	
	58.58	85.18	62.66
<b>Total</b>	<b>3,282.66</b>	<b>2,779.26</b>	<b>2,361.80</b>

**Description of the nature and purpose of Other Equity**

**General Reserve :** The General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

**Equity Instruments through Other Comprehensive Income :** This represents cumulative gains / (Losses) arising on the measurement of equity instruments at Fair Value through Other Comprehensive Income.

**Retained Earnings :** Retained Earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves etc., amount distributed as dividends and adjustments on account of transition to Ind AS.

**17. Borrowings : Non-Current**

Term Loans

Secured

From Banks	NIL	102.50	353.89
From Others	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>102.50</b>	<b>353.89</b>

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
17.1 Nature of Security and Terms of Repayment of Long-term Borrowings				
Nature of Security	Rate of Interest	March 31, 2018	March 31, 2017	April 01, 2016
Loans from Banks:				
i. Term loans of ₹ 600.00 lakhs repayable in 24 equal quarterly instalments from May 1, 2009 and of ₹ 540.00 lakhs 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.	NIL	NIL	27.00
ii. Term Loan of ₹ 500.00 lakhs repayable in 16 quarterly instalments from March 31, 2015 and Term loan of ₹ 500.00 lakhs 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.	NIL	352.50	652.50
iii. Vehicle Loan of ₹ 4.59 lakhs repayable in 60 monthly instalments from July 15, 2013 is secured against hypothecation of specified vehicle.	10.75% p.a.	NIL	NIL	2.37
		NIL	352.50	681.87
Less : Current Maturities of Long-term debt (Refer Note 21)		NIL	250.00	327.98
		NIL	102.50	353.89

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>18. Other Financial Liabilities : Current</b>			
Other Payable			
Unclaimed Dividend	7.58	11.57	12.94
<b>Total</b>	<b>7.58</b>	<b>11.57</b>	<b>12.94</b>
Transfer to Investor Education and Protection Fund	3.95	1.31	1.13
<b>Total</b>	<b>3.95</b>	<b>1.31</b>	<b>1.13</b>
Note: There is no amount due and outstanding to be credited to Investor Education and Protection Fund.			
<b>19. Provisions : Non-current</b>			
Provision for employee benefits			
Gratuity	19.22	13.80	14.72
Leave Encashment	14.06	15.87	13.86
<b>Total</b>	<b>33.28</b>	<b>29.67</b>	<b>28.58</b>
<b>20. Deferred Tax Liabilities (Net)</b>			
Deferred tax Liabilities [Refer Note 36]	426.17	525.16	559.16
Less: Deferred tax Assets [Refer Note 36]	(31.19)	(27.78)	(32.64)
<b>Total</b>	<b>394.98</b>	<b>497.38</b>	<b>526.52</b>
<b>21. Borrowings : Current</b>			
Loans Repayable on demand			
Secured			
From Banks			
Open Cash Credit	NIL	268.13	849.00
Loans from Related Parties			
Unsecured			
From Directors	NIL	75.00	25.00
<b>Total</b>	<b>NIL</b>	<b>343.13</b>	<b>874.00</b>

21.1 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.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>22. Trade Payables</b>			
Dues to Micro & Small Enterprises (Refer Note No. 22.1)	NIL	NIL	NIL
Dues to Other than Micro & Small Enterprises	364.77	189.64	204.21
<b>Total</b>	<b>364.77</b>	<b>189.64</b>	<b>204.21</b>

22.1 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.

**23. Other Financial Liabilities : Current**

Current maturities of Long-term debt

Term Loans

Secured

From Banks

NIL 250.00 327.00

Other Loans

Secured

From Banks

NIL NIL 0.98

Interest accrued

NIL 4.53 8.10

Forward Contract Payable

NIL NIL 1.51

Unclaimed Dividends

3.17 NIL NIL

Other Payables\*

102.73 155.90 136.43

**Total**

**105.90 410.43 474.02**

Note: There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

\*Others above include other year-end provisions

**24. Provisions : Current**

Provision for employee benefits

Gratuity

14.71 14.41 14.44

Leave Encashment

6.73 6.66 3.36

Others

Provision for Sales Return

21.46 NIL 5.43

Others\*

10.00 10.00 10.00

**Total**

**52.90 31.07 33.23**

\*Other include Provision for Contingencies towards PF liability

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>25. Other Current Liabilities</b>			
Revenue Received in advance	1.42	14.75	NIL
Other Advances*	0.21	3.42	0.35
<b>Total</b>	<b>1.63</b>	<b>18.17</b>	<b>0.35</b>
*Other include excess payment received from customers			
<b>26. Current Tax Liabilities</b>			
Provision for Tax (Net of Advance Tax)	42.78	9.44	NIL
<b>Total</b>	<b>42.78</b>	<b>9.44</b>	<b>NIL</b>



(₹ in Lakhs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>27. Revenue From Operations</b>		
Sale of products (including excise duty)		
Manufactured Goods	3,765.03	3,695.69
Windmill Income	173.85	175.33
	<u>3,938.88</u>	<u>3,871.02</u>
Other Operating Revenue		
Sale of Scrap / Wastages	5.65	2.10
Duty Drawback	4.65	2.32
	<u>10.30</u>	<u>4.42</u>
<b>Revenue From Operations</b>	<u><b>3,949.18</b></u>	<u><b>3,875.44</b></u>
<b>28. Other Income</b>		
Interest Income :		
Interest on Fixed and Other Deposits	25.50	4.11
Interest on Income-tax Refund	6.64	NIL
Dividend Income	0.22	0.62
Other Non-Operating Income :		
Exchange gains/(losses) on foreign currency	12.04	1.46
Balances / Provisions written back (Net)	NIL	0.18
Miscellaneous Income	0.71	0.57
<b>Total</b>	<u><b>45.11</b></u>	<u><b>6.94</b></u>
<b>29. Cost of materials consumed</b>		
Raw Materials Consumed		
Opening Stock	122.12	351.34
Add: Purchases	1,307.22	1,284.83
Less: Closing Stock	272.45	122.12
	<u>1,156.88</u>	<u>1,514.05</u>
Packing Materials		
Opening Stock	6.03	3.84
Add: Purchases	119.80	117.92
Less: Closing Stock	4.22	6.01
	<u>121.61</u>	<u>115.75</u>
<b>Total Cost of materials consumed</b>	<u><b>1,278.49</b></u>	<u><b>1,629.80</b></u>

(₹ in Lakhs)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>30. Changes in Inventories of Finished Goods and Work-In-Progress</b>		
Finished Goods		
Closing Stock	307.17	301.31
Less: Opening Stock	301.31	340.38
	<u>5.86</u>	<u>(39.07)</u>
Work-in-progress		
Closing Stock	63.30	308.54
Less: Opening Stock	308.54	186.04
	<u>(245.24)</u>	<u>122.50</u>
Excise Duty on Uncleared Finished Goods		
Closing Stock	NIL	70.54
Less: Opening Stock	70.53	64.55
	<u>(70.53)</u>	<u>5.99</u>
<b>Total</b>	<u>168.85</u>	<u>(77.44)</u>
<b>31. Employee Benefits Expense</b>		
Salaries, Wages and Benefits	298.86	275.39
Contribution to Provident and Other Funds	26.25	25.45
Gratuity	6.79	7.01
Staff Welfare Expenses	41.71	40.76
<b>Total</b>	<u>373.61</u>	<u>348.61</u>
<b>32. Finance Costs</b>		
Interest expense		
On Cash Credit Facilities /Buyers Credit	3.48	73.61
On Term Loans	9.71	74.40
On Others	7.23	7.18
Other Borrowing Costs		
Bank Charges	1.50	6.54
Processing Charges	10.06	11.06
<b>Total</b>	<u>31.98</u>	<u>172.79</u>

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>33. Other Expenses</b>		
Consumption of Stores and Spare parts	52.82	40.08
Power and Fuel	365.31	319.18
Rent	3.87	1.15
Repair and Maintenance		
- Buildings	15.00	1.32
- Machinery	93.58	49.45
- Others	5.56	4.31
Insurance	19.92	21.67
Rates and Taxes	5.25	3.41
Job Work Charges	0.86	0.14
Legal and Professional Charges / Fees	47.19	40.45
Auditor's Remuneration		
- Audit Fees	4.04	4.42
- Tax Audit Fees	1.60	1.91
- Certification Work	3.65	3.28
Director's sitting fees	10.68	8.66
Commission to Directors	14.46	7.00
Printing and Stationery	5.81	4.76
Security Charges	14.94	11.82
Balances Written off (Net)	3.86	0.01
Bad Debts written off	NIL	23.21
Less: Provision for doubtful debts/advances no Longer required	NIL	(23.21)
	NIL	NIL
Travelling and Motor Car Expenses	27.65	19.31
Corporate Social Responsibility (CSR) Expenditure	3.72	NIL
Miscellaneous Expenses	164.92	100.69
<b>Total</b>	<b>864.69</b>	<b>643.02</b>
<b>33A. Exceptional Item</b>		
Loss on Surrender of plot of land to GIDC	152.52	NIL
<b>Total</b>	<b>152.52</b>	<b>NIL</b>
<b>33.1 Expenses incurred on Research and Development during the year are included in the Statement of Profit and Loss as under:</b>		
Employee Benefit Expenses (In Note 31)		
Salaries, Wages and Benefits	5.47	3.46
Contributions to Provident and Other Funds	0.37	0.28
	5.84	3.74
Cost of Materials Consumed (In Note 29)	0.27	1.63
Depreciation	3.21	3.18
Other Expenses (In Note 33)		
Stores and Spares Consumed	1.05	0.73
Legal and Professional fees	3.54	NIL
	13.91	9.28

**34. Contingent Liabilities and Commitments**
**(₹ in Lakhs)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>A. Contingent Liabilities (To The Extent Not Provided For)</b>			
a. <b>Claims against the Company/disputed liabilities not acknowledged as debts</b>	<b>6.40</b>	6.40	6.30
b. <b>Guarantees issued by the bankers on behalf of the Company</b>	<b>74.83</b>	68.14	50.47
c. <b>Others</b>			
i. Income-tax matters under appeal (Against which ₹ 82.69 lakhs has been paid)	<b>240.46</b>	240.38	242.18
ii. Service Tax/Excise matters under appeal	<b>76.78</b>	95.76	118.39
iii. Demand (including interest thereon), by the Provident Fund Authorities pending before the Gujarat High Court [Net of Provisions of Contingencies of ₹ 10.00 lakhs (March 31, 2017 : ₹ 10.00 lakhs) (March 31, 2018 : ₹ 10.00 lakhs)]	<b>29.50</b>	29.50	29.00
iv. 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)	<b>53.65</b>	53.65	53.65
<b>Total</b>	<b>400.38</b>	419.29	443.21
<b>B. Commitments</b>			
i. Estimated amount of contracts remaining to be executed on capital account	<b>22.05</b>	NIL	NIL
Less: Advances	<b>6.76</b>	NIL	NIL
	<b>15.29</b>	NIL	NIL

**(₹ in Lakhs)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>35. Earnings Per Share (EPS)</b>		
i. Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	<b>708.92</b>	479.81
ii. Total Weighted Average number of Equity Shares used as denominator for calculating Basic and Diluted EPS	<b>97,83,240</b>	97,83,240
iii. Face Value per Equity Share	<b>10</b>	10
iv. Basic and Diluted Earnings per Share	<b>7.25</b>	4.90

**36. Disclosure pursuant to Ind AS 12 on "Income Taxes"**

**A. Components of Tax Expenses/(Income)**

(₹ in Lakhs)

<b>a. Profit or Loss Section</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Current Tax	216.55	150.00
Deferred Tax	(101.52)	(56.22)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>115.03</b>	<b>93.78</b>

**Income tax relating to Other Comprehensive Income**

(₹ in Lakhs)

<b>b. Other Comprehensive Income Section</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Net loss/(gain) on Remeasurements of Defined Benefit Plans	(0.88)	(0.39)
<b>Income Tax Expense reported in Other Comprehensive Income</b>	<b>(0.88)</b>	<b>(0.39)</b>

**B. Reconciliation of Income Tax Expense/(Income) and Accounting Profit multiplied by domestic tax rate applicable in India**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Profit before Tax	823.95	573.60
Corporate Tax rate as per Income Tax Act, 1961	27.82%	33.06%
Tax on Accounting Profit	229.22	189.65
<b>Tax effect of :</b>		
Income Exempt from Tax	(0.06)	(0.20)
Expenses Allowed separately	(88.87)	(115.59)
Tax on Expense not deductible	74.23	74.78
Excess Provision Made	2.03	1.37
<b>Current Tax Provision (A)</b>	<b>216.55</b>	<b>150.00</b>
Deferred Tax Liability	106.47	61.72
Deferred Tax Asset	(4.95)	(5.50)
<b>Explanation for change in applicable tax rate</b>		
<b>Deferred Tax (B)</b>	<b>101.52</b>	<b>56.22</b>
<b>Tax expenses recognised during the year (A+B)</b>	<b>115.04</b>	<b>93.78</b>
Effective tax rate	13.96%	16.35%

**Deferred Tax**
**2017-18**
**Components and Reconciliation of Deferred Tax (Assets)/Liabilities**

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other Comprehensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	524.91	(98.73)	NIL	<b>426.17</b>
Provision for Provident Fund Liability	(3.31)	0.52	NIL	<b>(2.78)</b>
Expenses allowable for tax purpose when paid	(24.47)	4.43	(0.88)	<b>(20.92)</b>
Provision for Sales Return	0.25	(3.06)	NIL	<b>(2.81)</b>
Provision for Doubtful debts and advances	NIL	(4.26)	NIL	<b>(4.26)</b>
Provision for Cenvat Receivable	NIL	(0.42)	NIL	<b>(0.42)</b>
<b>Total</b>	<b>497.38</b>	<b>(101.52)</b>	<b>(0.88)</b>	<b>394.98</b>

**2016-17**
**Components and Reconciliation of Deferred Tax (Assets)/Liabilities**

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other Comprehensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	559.16	(34.25)	NIL	524.91
Provision for Provident Fund Liability	(3.09)	(0.22)	NIL	(3.31)
Expenses allowable for tax purpose when paid	(22.14)	(1.94)	(0.39)	(24.47)
Provision for Sales Return	(0.23)	0.48	NIL	0.25
Provision for Doubtful debts and advances	(7.17)	7.17	NIL	NIL
<b>Total</b>	<b>526.52</b>	<b>(28.75)</b>	<b>(0.39)</b>	<b>497.38</b>

**37. Information on Segment Reporting as per Ind AS 108 on "Operating Segments"**

Operating Segments are those components of business whose operating results are regularly reviewed by the Chief Operating Decision making body in the Company to make decisions for performance assessment and resource allocation.

The Company has identified two reportable primary segments, Speciality Chemicals and Power Generation in terms of Ind AS 108 on "Operating Segments".

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. Segment Revenue (Sales / Services to external customers):</b>		
a. Speciality Chemicals	3,775.33	3,694.68
Add : Other Income	12.75	0.75
	3,788.08	3,695.43
b. Power Generation	173.85	175.33
<b>TOTAL REVENUE</b>	<b>3,961.93</b>	<b>3,870.76</b>

**B. Segment Results :**

Profit/(Loss) before Tax and Interest		
a. Speciality Chemicals	899.22	645.95
b. Power Generation	90.42	93.77
<b>TOTAL</b>	<b>989.64</b>	<b>739.72</b>
Add : Interest Income	32.15	4.11
Profit on Sale of Investments	NIL	NIL
Dividend	0.22	0.62
	32.37	4.73
Less: Interest Expense	20.42	155.19
Others Unallocated Expenses	25.14	15.65
Exceptional Items	152.52	NIL
	(198.08)	(170.84)
<b>Profit/(Loss) before Tax</b>	<b>823.93</b>	<b>573.59</b>
Current Tax	216.55	150.00
Deferred Tax	(101.52)	(56.22)
	115.03	93.78
<b>Profit /(Loss) after Tax</b>	<b>708.90</b>	<b>479.81</b>

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
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**Other Information :**

Segment Assets			
a. Speciality Chemicals	4,344.89	4,536.48	4,867.34
b. Power Generation	853.46	771.05	904.99
c. Others - Unallocated	66.45	93.05	75.54
<b>Total</b>	<b>5,264.80</b>	<b>5,400.58</b>	<b>5,847.86</b>
Segment Liabilities			
a. Speciality Chemicals	5,264.80	5,400.58	5,847.86
b. Power Generation	NIL	NIL	NIL
c. Others – Unallocated	NIL	NIL	NIL
<b>Total</b>	<b>5,264.80</b>	<b>5,400.58</b>	<b>5,847.86</b>
Capital Expenditure during the year			
a. Speciality Chemicals - Tangible Fixed Assets	64.16	6.07	1.99
- Capital Advances	6.76	NIL	NIL
b. Power Generation	NIL	NIL	NIL
c. Others - Unallocated	NIL	NIL	NIL
<b>Total</b>	<b>70.92</b>	<b>6.07</b>	<b>1.99</b>
Depreciation during the year			
a. Speciality Chemicals	138.87	138.65	142.47
b. Power Generation	55.94	55.94	56.09
c. Others - Unallocated	NIL	NIL	NIL
<b>Total</b>	<b>194.81</b>	<b>194.59</b>	<b>198.56</b>

- i. Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.
- ii. The Company does not have reportable segment, i.e Geographical Segement in terms of Ind AS 108 on "Operating Segments".

**38. Disclosures of transactions with related parties required under Ind AS 24 on "Related Party Disclosures"**

A.	Sr No.	Nature of Relationship	Name of Related Parties
	i.	Associate	Alkyl Amines and Chemicals Limited
	ii.	Subsidiary	Diamines Speciality Chemicals Limited (The above Subsidiary amalgamated with the Company on September 30, 2016 under the Scheme of Arrangement effective from April 1, 2015)
	iii.	Key Managerial Personnel of the Company	
		Non Executive Director	Mr. Yogesh M Kothari - Chairman Mr. Amit M Mehta - Vice Chairman Mr. Kirat Patel
		Independent Directors	Mr. Rajendra Chhabra Mr. Shreyas Mehta Mrs. Darshna Mankad (up to January 23, 2018) Mr. Dhruv Kaji Mr. Ambrish Dalal Mr. G. S. Venkatachalam
	iv.	Entities over which Key Managerial Personnel exercise significant influence	S Amit & Co. S Amit Speciality Chemicals Pvt. Ltd.
	v.	Entities over which Associate exercise significant influence - Subsidiary of Associate	Alkyl Speciality Chemicals Limited

**B. Transaction during the year with related parties**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Sale of Goods/services</b>		
Associate:	<b>NIL</b>	12.10
Alkyl Amines and Chemicals Limited		
<b>Short-term Employee Benefits</b>		
Key Managerial Personnel:		
Mr. Yogesh M Kothari	3.80	2.81
Mr. Amit M Mehta	3.89	2.79
Mr. Kirat Patel	3.76	2.98
Mr. Rajendra Chhabra	3.82	3.05



Mr. Shreyas Mehta	1.02	0.42
Mrs. Darshna Mankad	1.00	1.28
Mr. Dhruv Kaji	0.82	0.42
Mr. Ambrish Dalal	1.02	0.52
Mr. G. S. Venkatachalam	40.78	27.77
<b>Post-employment Benefits</b>		
Key Managerial Personnel:		
Mr. G. S. Venkatachalam	8.50	5.28
<b>Total Compensation Paid to Key Managerial Personnel</b>	<b>68.41</b>	<b>47.32</b>
<b>Interest on Loans:</b>		
Key Managerial Personnel:		
Mr. Yogesh M Kothari	<b>0.94</b>	2.05
Mr. Ambrish Dalal	<b>0.21</b>	3.21
<b>Loans Taken / (Repaid):</b>		
Key Managerial Personnel:		
Mr. Yogesh M Kothari	<b>(50.00)</b>	50.00
Mr. Ambrish Dalal	<b>(25.00)</b>	25.00
<b>Reimbursement of expenses:</b>		
Entities over which Key Managerial Personnel exercise significant influence:		
S Amit & Co.	<b>0.15</b>	0.47
S Amit Speciality Chemicals Pvt. Ltd.	<b>3.46</b>	1.92

**C. Outstanding Balances**

<b>(₹ in Lakhs)</b>			
<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>Other Payable</b>			
i. Key Managerial Personnel:			
Mr. Yogesh M Kothari	<b>0.01</b>	NIL	NIL
Mr. Amit M Mehta	<b>0.01</b>	NIL	NIL
Mr. Rajendra Chhabra	<b>0.01</b>	NIL	NIL
ii. Subsidiary:			
Diamines Speciality Chemicals Limited	<b>NIL</b>	NIL	989.86
<b>Other Receivable</b>			
Entities over which Key Managerial Personnel exercise significant influence:			
S Amit Speciality Chemicals Pvt. Ltd.	<b>NIL</b>	0.63	NIL

**Terms and conditions of transactions with related parties**

- i. The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.
- ii. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash.
- iii. There have been no guarantees provided or received for any related party transaction.

**39. Capital Management and Financial Risk Management Policies**
**A. Capital Management**

For the purpose of the Company's Capital Management, Capital includes issued Equity Capital and all Other Reserves attributable to the Equity shareholders of the Company. The Primary objective of the Company's Capital Management is to maximise the shareholders' value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholder's value. The Company is monitoring Capital using debt equity ratio as its base, which is debt to equity. The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity. The capital structure of the Company as at March 31, 2018 does not include any debt as the Company has repaid all its borrowings.

**1. Debt Equity Ratio - Total Debt divided by Total Equity**

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Debt	NIL	445.63	1,227.89
Total Equity	4,260.98	3,757.58	3,340.12
Debt Equity Ratio	NIL	0.12	0.37

**B. Financial Risk Management and Policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Company's Board. The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations in select instances. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and investments. The company is exposed to market risk, credit risk, liquidity risk etc. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital. The Company's capital structure is managed using equity and debt ratios as part of the Company's financial planning.

**a. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include investments and derivative financial instruments. The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

The above mentioned risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below:

**i. Foreign Currency Risk:**

The company is subject to the risk that changes in foreign currency values impact the company export, imports and other payables.

Foreign currency exposure as at March 31, 2018 are hedged as per the policy of the company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Amount in Foreign currency	₹ in Lakhs	Amount in Foreign currency	₹ in Lakhs	Amount in Foreign currency	₹ in Lakhs
Payable USD	3,80,145	249.65	1,98,659	133.00	2,21,480	150.53
Receivable USD	1,30,316	81.90	NIL	NIL	2,06,552	140.25

**Foreign currency sensitivity:**

The following table demonstrates the sensitivity to a 5% increase/decrease in foreign currencies exchange rates, with all other variables held constant.

5% increase or decrease in foreign exchange rate will have the following impact on before profit before tax :

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	5% increase	5% decrease	5% increase	5% decrease	5% increase	5% decrease
<b>Impact on Profit and Loss</b>						
Payable/Receivable						
INR	8.39	(8.39)	6.65	(6.65)	0.51	(0.51)
	<b>8.39</b>	<b>(8.39)</b>	<b>6.65</b>	<b>(6.65)</b>	<b>0.51</b>	<b>(0.51)</b>

**ii. Forward foreign exchange contracts**

It is the policy of the Company to enter into forward foreign exchange contracts to cover foreign currency payments in USD. The Company enters in to contracts with terms upto 120 days.

Forward cover is obtained from bank for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.

The following table details the outstanding forward foreign currency (FC) contracts

Outstanding contracts	Average exchange rates			Foreign Currency		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
USD-Sell	65.44	67.41	68.67	3,90,166	1,98,659	2,21,480

(₹ in Lakhs)

Outstanding contracts	Nominal Amounts			Fair value Assets/(Liabilities)		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
In INR	255.32	133.92	152.09	255.18	132.53	150.61
<b>Total</b>	<b>255.32</b>	<b>133.92</b>	<b>152.09</b>	<b>255.18</b>	<b>132.53</b>	<b>150.61</b>

**b. Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. Wherever necessary, depending on the credit worthiness of the customer, credit risk in respect of export shipments is covered by letter of credit. The credit risk on liquid funds such as balance in current and deposits account with banks is limited as the counterparties are banks with reasonably high credit ratings.

The Company makes provision for expected credit loss on certain Trade Receivables in respect of which there is a delay in realisation. The provision is calculated based on the difference between the book value of such outstanding trade receivables as at the balance sheet date and the present value of the expected realisation over a period of 12 months from the balance sheet date. The Company considers discount rate of 8 percent per annum for calculating the present value.

**c. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The company manages its liquidity risk by maintaining positive cash and bank balance and availability of fund through adequate cash credit facility. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. Cash flow from operating activities provides the funds to service and finance the financial liabilities on a day-to-day basis.

**The table below provides details regarding the remaining contractual maturities of Company's financial liabilities:**

(₹ in Lakhs)

Particulars	Less than 1 Year/On Demand	1-5 years	More than 5 years	Total
<b>As at March 31, 2018</b>				
Non-derivative financial liabilities				
Trade Payables	364.77	NIL	NIL	364.77
Unpaid dividend	15.23	NIL	NIL	15.23
Other payables	102.70	NIL	NIL	102.70
	482.70	NIL	NIL	482.70
<b>As at March 31, 2017</b>				
Non-derivative financial liabilities				
Borrowings	593.13	102.50	NIL	695.63
Trade Payables	189.64	NIL	NIL	189.64
Unpaid dividend	14.68	NIL	NIL	14.68
Other payables	160.43	NIL	NIL	160.43
	957.89	102.50	NIL	1,060.39

**As at April 1, 2016**

**Non-derivative financial liabilities**

Borrowings	1,201.99	353.89	NIL	1,555.88
Trade Payables	204.21	NIL	NIL	204.21
Unpaid dividend	16.06	NIL	NIL	16.06
Other payables	144.52	NIL	NIL	144.52
	<u>1,566.78</u>	<u>353.89</u>	<u>NIL</u>	<u>1,920.67</u>

**Derivative financial liabilities**

Foreign Exchange Forward Contracts	1.51	NIL	NIL	1.51
	<u>1.51</u>	<u>NIL</u>	<u>NIL</u>	<u>1.51</u>

**40. Employee Benefits**

The Company has classified various employee benefits as under:

**A. Defined Contribution Plans**

- Provident Fund
- Superannuation Fund

The Provident Fund is operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to Provident Fund	21.49	20.63
Superannuation Fund	4.40	4.54
<b>Total</b>	<b>25.88</b>	<b>25.16</b>

**B. Defined Benefit Plans**

The Company operates a gratuity plan covering qualifying employees. Under the gratuity plan, the eligible employees are entitled to post retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, subject to a payment ceiling of ₹ 20 lakhs. The benefit vests upon completion of five years of continuous service as per "The Payment of Gratuity Act" and once vested it is payable to the employee on retirement or on termination of employment. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

**Gratuity is defined benefit plan and Company is exposed to following Risks:**

**Interest Risk :**

A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk :**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of

members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk :**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Mortality Risk :**

Since the benefits under the plan is not payable for the life time and payable till retirement age only, plan does not have any longevity risk.

**C. The Company offers the following employee benefits scheme to its employees**

- a. Gratuity(Funded through annual payment to Life insurance corporation of India)
- b. Privilege Leave encashment (Unfunded)

**a. Gratuity**

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

Particulars	Valuation as at		
	March 31, 2018	March 31, 2017	April 1, 2016
i Discount Rate (per annum)	7.73%	7.51%	7.81%
ii Rate of increase in compensation levels (per annum)	4.50%	4.50%	4.50%
iii Expected Rate of Return on Assets	7.73%	7.51%	7.81%
iv Attrition Rate	2.00%	2.00%	2.00%
v Mortality rate during the employment	Indian Assured Lives Mortality (2006-08)		
vi Actuarial Valuation Method	Projected Unit Credit Method		
vii Retirement Age (years)	58	58	58
viii The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.			
ix The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.			
x The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.			

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Gratuity Funded	Gratuity Funded
i. <b>Change in the Present Value of Projected Benefit Obligation</b>		
Present Value of Benefit Obligation at the Beginning of the Period	106.00	107.34
Interest Cost	7.96	8.38
Current Service Cost	4.51	4.80

	(Benefit Paid From the Fund)	(33.72)	(14.62)
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.65)	1.01
	Actuarial (Gains)/Losses on Obligations - Due to Experience	1.99	(0.92)
	Present Value of Benefit Obligation at the End of the Period	86.10	106.00
<b>ii.</b>	<b>Changes in the Fair value of Plan Assets</b>		
	Fair Value of Plan Assets at the Beginning of the Period	75.73	79.04
	Interest Income	5.69	6.17
	Contributions by the Employer	6.31	6.22
	(Benefit Paid From the Fund)	(33.72)	(14.62)
	Return on Plan Assets, Excluding Interest Income	(1.83)	(1.09)
	Fair Value of Plan Assets at the End of the Period	52.17	75.73
<b>iii.</b>	<b>Net (Liability)/Asset Recognised in the Balance Sheet</b>		
	(Present Value of Benefit Obligation at the end of the Period)	(86.10)	(106.00)
	Fair Value of Plan Assets at the end of the Period	52.17	75.73
	Funded Status (Surplus/ (Deficit))	(33.93)	(30.28)
	Net (Liability)/Asset Recognised in the Balance Sheet	(33.93)	(30.28)
<b>iv.</b>	<b>Expenses Recognised in the Statement of Profit or Loss for the Current Period</b>		
	Current Service Cost	4.51	4.80
	Net Interest Cost	2.27	2.21
	Expenses Recognised	6.79	7.01
<b>vi.</b>	<b>Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period</b>		
	Actuarial (Gains)/ Losses on Obligation For the Period	1.34	0.10
	Return on Plan Assets, Excluding Interest Income	1.83	1.09
	Net (Income)/Expenses For the Period Recognised in OCI	3.17	1.18
<b>vii</b>	<b>Maturity Analysis of the Benefit Payments : From the Fund</b>		
	Projected Benefits Payable in Future Years From the Date of Reporting		
	1st Following Year	14.33	26.53
	2nd Following Year	11.53	9.94
	3rd Following Year	13.68	14.60
	4th Following Year	30.61	16.53
	5th Following Year	8.07	28.30
	Sum of Years 6 to 10	22.15	27.59
	Sum of Years 11 to above	24.37	22.47
<b>viii</b>	<b>Sensitivity Analysis</b>		
	Projected Benefit Obligation on Current Assumptions	86.10	106.00
	Delta Effect of +1% Change in Rate of Discounting	(2.80)	(3.27)
	Delta Effect of -1% Change in Rate of Discounting	3.10	3.58
	Delta Effect of +1% Change in Rate of Salary Increase	3.17	3.65

Delta Effect of -1% Change in Rate of Salary Increase	(2.91)	(3.39)
Delta Effect of +1% Change in Rate of Employee Turnover	0.56	0.53
Delta Effect of -1% Change in Rate of Employee Turnover	(0.63)	(0.59)

**Note on Sensitivity Analysis**

- Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.
- In presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

**41. Corporate Social Responsibility (CSR)**

- Amount required to be spent by the Company during the year is ₹ 3.72 Lakhs
- Amount spent during the year

(₹ in Lakhs)

Sr. No.	Particulars	Amount Paid in cash	Amount yet to be paid in cash	Total
i	Construction/acquisition of any asset	NIL	NIL	NIL
ii	On purposes other than (i) above	3.72	NIL	3.72

**42. Financial Instruments**

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Valuation**

- The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
- The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the Balance Sheet date
- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Fair Value measurement hierarchy**

The fair value of financial instruments as referred below have been classified into three categories depending on the inputs used in the valuation technique.

The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.



**Category-wise classification and applicable fair value hierarchy of Financial Assets & Liabilities :**

(₹ in Lakhs)

Particulars	As at March 31, 2018				As at March 31, 2017				As at April 1, 2016			
	Carrying Amounts	Fair Value			Carrying Amounts	Fair Value			Carrying Amounts	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>												
Measured at FVTPL												
Derivatives												
- Forward Contracts	255.18	NIL	NIL	255.18	132.53	NIL	NIL	132.53	150.61	NIL	NIL	150.61
	255.18	NIL	NIL	255.18	132.53	NIL	NIL	132.53	150.61	NIL	NIL	150.61
Measured at Amortised Cost												
Investment in Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	5.00	NIL	NIL	NIL
Trade Receivable	790.06	NIL	NIL	NIL	824.62	NIL	NIL	NIL	738.09	NIL	NIL	NIL
Cash and Bank Balance	1,068.71	NIL	NIL	NIL	56.60	NIL	NIL	NIL	55.73	NIL	NIL	NIL
	1,858.77	NIL	NIL	NIL	881.22	NIL	NIL	NIL	798.82	NIL	NIL	NIL
Measured at FVTOCI												
Investment in equity instruments												
	66.45	NIL	NIL	66.45	93.05	NIL	NIL	93.05	70.54	NIL	NIL	70.54
	66.45	NIL	NIL	66.45	93.05	NIL	NIL	93.05	70.54	NIL	NIL	70.54
<b>Total Financial Assets</b>	<b>2,180.39</b>	<b>NIL</b>	<b>NIL</b>	<b>321.62</b>	<b>1106.80</b>	<b>NIL</b>	<b>NIL</b>	<b>225.58</b>	<b>1019.97</b>	<b>NIL</b>	<b>NIL</b>	<b>221.14</b>
<b>Financial Liabilities</b>												
Measured at Amortised Cost												
Borrowing	NIL	NIL	NIL	NIL	695.63	NIL	NIL	NIL	1,555.88	NIL	NIL	NIL
Trade Payables	364.77	NIL	NIL	NIL	189.64	NIL	NIL	NIL	204.21	NIL	NIL	NIL
Others	117.93	NIL	NIL	NIL	175.12	NIL	NIL	NIL	160.58	NIL	NIL	NIL
<b>Total Financial Liabilities</b>	<b>482.70</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>1,060.39</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>1,920.67</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

#### 43. Reconciliation between previous GAAP to Ind AS

##### A. Reconciliation of Balance Sheet as previously reported under previous GAAP to Ind AS as at April 1, 2016

(₹ in Lakhs)

Particulars	Note No.	Previous GAAP to Ind AS	Effect of transition	Ind AS
<b>ASSETS</b>				
<b>Non-current Assets</b>				
(a) Property, Plant and Equipment		2,733.10	NIL	2,733.10
(b) Capital work-in-progress		NIL	NIL	NIL
(c) Financial Assets				
(i) Investments	c	12.88	62.66	75.54
(ii) Loans		993.24	NIL	993.24
(d) Other Non current Assets		4.17	NIL	4.17
(e) Advance Tax (Net of Provisions)		137.11	NIL	137.11
<b>Total Non-current Assets</b>		<b>3,880.49</b>	<b>62.66</b>	<b>3,943.16</b>
<b>Current Assets</b>				
(a) Inventories	b	917.95	4.68	922.62
(b) Financial Assets				
(i) Trade Receivables		738.09	NIL	738.09
(ii) Cash and Cash Equivalents		0.55	NIL	0.55
(iii) Other Bank Balances		55.18	NIL	55.18
(iv) Other Financial Assets	d	31.90	(1.51)	30.39
(c) Other Current Assets		157.86	NIL	157.86
(d) Asset Held for Disposal		NIL	NIL	NIL
<b>Total Current Assets</b>		<b>1,901.54</b>	<b>3.17</b>	<b>1,904.69</b>
<b>Total Assets</b>		<b>5,782.03</b>	<b>65.83</b>	<b>5,847.85</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		978.32	NIL	978.32
(b) Other Equity	b,d,e and f	2,383.58	(21.78)	2,361.80
<b>Total Equity</b>		<b>3,361.90</b>	<b>(21.78)</b>	<b>3,340.12</b>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		353.89	NIL	353.89
(ii) Other Financial Liabilities		12.94	NIL	12.94
(b) Provisions		28.58	NIL	28.58
(c) Deferred Tax Liabilities (Net)	f	440.66	85.86	526.52
<b>Total Non-current Liabilities</b>		<b>836.06</b>	<b>85.86</b>	<b>921.93</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		874.00	NIL	874.00
(ii) Trade Payables		204.21	NIL	204.21
(iii) Other Financial Liabilities	d	477.71	(3.69)	474.01
(b) Provisions	b	27.80	5.43	33.24
(c) Other Current Liabilities		0.34	NIL	0.34
<b>Total Current Liabilities</b>		<b>1,584.07</b>	<b>1.74</b>	<b>1,585.80</b>
<b>Total Liabilities</b>		<b>2,420.13</b>	<b>87.61</b>	<b>2,507.73</b>
<b>Total Equity and Liabilities</b>		<b>5,782.03</b>	<b>65.83</b>	<b>5,847.85</b>

**B. Reconciliation of Balance Sheet as previously reported under previous GAAP to Ind AS as at March 31, 2017**

(₹ in Lakhs)

Particulars	Note No.	Previous GAAP to Ind AS	Effect of transition	Ind AS
<b>ASSETS</b>				
<b>Non-current Assets</b>				
(a) Property, Plant and Equipment	a	2,275.76	268.82	2,544.58
(b) Capital work-in-progress		20.95	NIL	20.95
(c) Financial Assets				
(i) Investments	c	7.88	85.17	93.05
(ii) Loans		0.40	NIL	0.40
(d) Other Non current Assets		4.89	NIL	4.89
(e) Advance Tax (Net of Provisions)		117.50	NIL	117.50
<b>Total Non-current Assets</b>		<b>2,427.38</b>	<b>353.99</b>	<b>2,781.37</b>
<b>Current Assets</b>				
(a) Inventories		767.93	NIL	767.93
(b) Financial Assets				
(i) Trade Receivables		824.62	NIL	824.62
(ii) Cash and Cash Equivalents		0.28	NIL	0.28
(iii) Other Bank Balances		56.32	NIL	56.32
(iv) Other Financial Assets	d	13.35	(0.81)	12.53
(c) Other Current Assets		52.64	NIL	52.64
(d) Asset Held for Disposal		904.89	NIL	904.89
<b>Total Current Assets</b>		<b>2,620.03</b>	<b>(0.81)</b>	<b>2,619.21</b>
<b>Total Assets</b>		<b>5,047.41</b>	<b>353.18</b>	<b>5,400.58</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		978.32	NIL	978.32
(b) Other Equity	a, b, d & f	2,448.55	330.70	2,779.26
<b>Total Equity</b>		<b>3,426.88</b>	<b>330.70</b>	<b>3,757.58</b>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		102.50	NIL	102.50
(ii) Other Financial Liabilities		11.57	NIL	11.57
(b) Provisions		29.67	NIL	29.67
(c) Deferred Tax Liabilities (Net)	f	469.45	27.93	497.38
<b>Total Non-current Liabilities</b>		<b>613.19</b>	<b>27.93</b>	<b>641.12</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		343.13	NIL	343.13
(ii) Trade Payables		189.64	NIL	189.64
(iii) Other Financial Liabilities		415.89	(5.46)	410.43
(b) Provisions		31.07	NIL	31.07
(c) Other Current Liabilities	d	18.17	NIL	18.17
(d) Current Tax Liabilities (Net)		9.44	NIL	9.44
<b>Total Current Liabilities</b>		<b>1,007.34</b>	<b>(5.46)</b>	<b>1,001.88</b>
<b>Total Liabilities</b>		<b>1,620.53</b>	<b>22.48</b>	<b>1,643.00</b>
<b>Total Equity and Liabilities</b>		<b>5,047.41</b>	<b>353.18</b>	<b>5,400.58</b>

**C. Reconciliation Statement of Profit and Loss as previously reported under previous GAAP to Ind AS for the year ended March 31, 2017**

(₹ in Lakhs)

Particulars	Note No.	Previous GAAP to Ind AS	Effect of transition	Ind AS
<b>I</b> Revenue from Operations	b	3,870.01	5.43	3,875.44
<b>II</b> Other Income	d	5.48	1.46	6.94
<b>III Total Income (I+II)</b>		<b>3,875.49</b>	<b>6.89</b>	<b>3,882.38</b>
<b>IV EXPENSES</b>				
Cost of Materials Consumed		1,629.80	NIL	1,629.80
Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade	b	(82.12)	4.68	(77.44)
Excise Duty		397.42	NIL	397.42
Employee Benefits Expense	e	349.79	(1.18)	348.61
Finance Costs		172.79	NIL	172.79
Depreciation and Amortisation Expense	a	184.77	9.81	194.59
Other expenses	d	644.03	(1.00)	643.04
<b>Total Expenses</b>		<b>3,296.48</b>	<b>12.31</b>	<b>3,308.79</b>
<b>V Total Profit/(loss) before exceptional items and tax (III-IV)</b>		579.00	(5.42)	573.59
<b>VI</b> Exceptional Items		NIL	NIL	NIL
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>579.00</b>	<b>(5.42)</b>	<b>573.59</b>
<b>VIII</b> Tax expense:				
(a) Current Tax		150.00	NIL	150.00
(b) Deferred Tax	f	1.30	(57.93)	(56.22)
<b>Total tax expenses</b>		151.30	(57.93)	93.78
<b>IX Profit for the year (VII-VIII)</b>		<b>427.70</b>	<b>52.51</b>	<b>479.81</b>
<b>X Other Comprehensive Income</b>				
A. Items that will not be reclassified subsequently to profit or loss				
i. Remeasurement gain/(loss) on the Defined Benefit Plans	e	NIL	(1.18)	(1.18)
ii. Gain/(loss) on measuring equity instruments at Fair Value through Other Comprehensive Income (FVTOCI)	c	NIL	22.52	22.52
iii. Income tax on (i) above	e	NIL	0.39	0.39
B. Items that will be reclassified subsequently to profit or loss				
<b>Other Comprehensive Income</b>		<b>NIL</b>	<b>21.73</b>	<b>21.73</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>427.70</b>	<b>74.25</b>	<b>501.54</b>

**D. Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016**

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>Total Equity as per previous GAAP</b>		3,426.88	3,361.90
<b>Add / (Less) : Adjustments</b>			
a. Impact on account of depreciation on Property, Plant and Equipment	a	(9.81)	NIL
b. Reversal On account Of Revaluation Reserve	a	280.47	NIL
c. General Reserve reversed	a	(1.84)	NIL
d. Provision for expected sales return	b	NIL	(0.75)
e. Fair Valuation of Investments in Equity Shares through OCI	c	85.17	62.66
f. Recognition of Forward Contracts at Fair value	d	4.64	2.19
g. For Deferred Tax	f	(27.93)	(85.86)
Total adjustments		330.70	(21.78)
<b>Total Equity as per Ind AS</b>		<b>3,757.58</b>	<b>3,340.12</b>

**E. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2017
<b>Net Profit as per Previous GAAP</b>		<b>427.70</b>
<b>Add / (Less) : Adjustments in Statement of Profit and Loss</b>		
a. Depreciation on revalued amount of Leasehold Land and Building	a	(9.81)
b. Provision for expected sales return	b	0.75
c. Recognition of Forward Contracts at Fair value	d	2.45
d. Remeasurement gain/(loss) on Defined Benefit Plans (Net of Tax)	e	0.79
e. For Deferred Tax	f	57.93
Total effect of transition to Ind AS		<b>52.11</b>
<b>Net profit as per Ind AS</b>		<b>479.81</b>
Other Comprehensive Income (Net of Tax)	c and f	21.73
<b>Total Comprehensive Income</b>		<b>501.54</b>

**F. Notes to the Reconciliation**

**a. Property, Plant and Equipment**

As on March 31, 2016, the carrying amount of Leasehold Land and Building under Property, Plant and Equipment (PPE) included ₹ 278.74 lacs on account of revaluation thereof. Under the previous GAAP, as specified by Accounting Standard 10, as revised, on "Property, Plant and Equipment", in the financial year 2016-17, with effect from April 1, 2016, the said revaluation amount in the carrying amount of Leasehold Land and Building was adjusted against outstanding amount of Revaluation Reserve and the excess amount in the Revaluation Reserve of ₹ 1.84 lacs was adjusted in General Reserve. Under Ind AS, in terms of Para D7AA of Ind AS 101 on "First-time Adoption of Indian Accounting Standards", the Company has adopted the carrying value of its PPE as on the transition date as its

deemed cost; in other words, the carrying value on the transition date, as on April 1, 2016, is nothing but the carrying value of PPE as on March 31, 2016, which would include the revaluation amount for Leasehold Land and Building. Therefore, to arrive at the deemed cost under Ind AS as on April 1, 2016, the adjustment of revaluation done under the previous GAAP (that is, under AS 10 (Revised)) is restored to its revalued amount and Revaluation Reserve is accordingly restored and General Reserve is reversed. Also, depreciation in respect of such revalued amounts under Ind AS for the year ended March 31, 2017 and thereafter is accordingly reflected. Further, the effect of Deferred Tax for such adjustment for revaluation is also given.

**b. Provision for Sales return**

Revenue is recognised net of such provision for Sales Returns and consequently, related costs of such goods are reflected in Inventories.

**c. Non-current Investments**

Under previous GAAP, Investments in Equity Instruments were measured at Cost. Provision for diminution in value of Investments, if any, was provided for, against cost of investments. On the date of transition to Ind AS, such financial assets are classified as Fair Value through Other Comprehensive Income. Changes in fair value of such investments are recognised in Other Comprehensive Income. On the date of transition, these financial assets are measured at their fair values which are higher than cost as per previous GAAP, resulting in net increase in carrying amounts as at April 1, 2016 by ₹ 62.66 Lakhs and as at March 31, 2017 by ₹ 22.52 Lakhs.

**d. Fair Valuation of Forward Contracts**

Under previous GAAP, the Company applied the requirements of AS 11 "*The effects of changes in foreign exchange rates*" to account for forward contracts entered for hedging foreign exchange risk. Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The fair valuation of forward contracts resulted in profit of ₹ 2.19 Lakhs as at April 1, 2016 and of ₹ 2.46 Lakhs as at March 31, 2017.

**e. Defined Benefit Plans**

Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability/ asset, are recognised in the Other Comprehensive Income instead of profit or loss. The actuarial loss for the year ended March 31, 2017 was ₹ 1.18 Lakhs, with tax ₹ 0.39 Lakhs. This change does not affect Total Equity, but there is an increase in Profit before Tax of ₹ 1.18 Lakhs and in total Profit of ₹ 0.79 Lakhs for the year ended March 31, 2017.

**f. Deferred Tax**

The previous GAAP required deferred tax accounting using the income statement approach, which focused on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences.

- 44.** The Board of Directors of the Company at its meeting held on September 29, 2015 approved the Scheme of Arrangement under sections 391 to 394 of the Companies Act, 1956 for amalgamation of Diamines Speciality Chemicals Limited ('DSCL'), its wholly owned subsidiary, into the Company with effect from April 1, 2015, the appointed date ("the Scheme"). The Scheme was heard and approved by the Hon'ble High Court of Gujarat, vide its order dated September 16, 2016. The Scheme came into effect on September 30, 2016, the day on which the Order was filed with the Registrar of the Companies, Gujarat and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of the DSCL have been transferred to and vested in the Company with effect from the appointed date. DSCL was formed with the object of manufacturing of fine chemicals. Till the time of amalgamation, it engaged itself to acquire a plot of land from Gujarat Industrial Development Corporation (GIDC). This amalgamation is a non-cash transaction.

Further, no consideration is payable or receivable and shares were not exchanged on implementation of the amalgamation as the Scheme involves a wholly owned subsidiary.

45. Capital Work-in-progress and Capital Advances for acquiring a plot of land from Gujarat Industrial Development Corporation ('GIDC') on the Scheme of Arrangement which was then reflected as Fixed Assets - Leasehold Land under Non-Current Assets. However, subsequent thereto, the said plot of land rendered unusable for construction/ activities involving hazardous chemicals and therefore, the Company by its letter of January 11, 2017, requested GIDC to take back the possession of the said plot of land and refund the amounts paid in respect thereof. GIDC by its letter of April 6, 2017, intimated to the Company about its approval as of March 23, 2017 to surrender the said plot of land. The Board of Directors in its meeting held on April 11, 2017 took the decision to handover the possession of the said plot of land and accordingly, the possession was handed over to GIDC on April 19, 2017. However, pending determination of refund amount by GIDC for the surrendered plot of land, the same is reflected as Assets held for disposal under "Current Assets" at its carrying amount

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 4, 2018

For and on behalf of the Board of Directors

**YOGESH KOTHARI**

Chairman

**G.S.VENKATACHALAM**

Executive Director

**SCANY PARMAR**

Company Secretary

**AMIT MEHTA**

Vice Chairman

**SUDIP RAY**

Chief Financial Officer

PLACE : MUMBAI

DATED : May 4, 2018

**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 42<sup>nd</sup> Annual General Meeting held at Plot No.13, PCC Area, P.O. Petrochemicals, Vadodara –391 346 at 12:00 Noon on Monday, the 6<sup>th</sup> August, 2018.

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

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

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 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/her
- 2) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
- 3) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature: \_\_\_\_\_



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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42<sup>nd</sup> (Forty-Second) Annual General Meeting of the Company, to be held on the 6<sup>th</sup> day of August, 2018 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 Statements of the Company for the Financial Year ended on March 31, 2018 together with the Reports of the Board of Directors' and Auditors' thereon for the year ended on March 31, 2018.
- 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 declare dividend of ₹ 2.5 per Ordinary (Equity) share of ₹ 10/- each for the financial year 2017-18.
- 4) To appoint M/s. K.C. Mehta, Chartered Accountants, as statutory auditors of the Company, and to fix their remuneration.
- 5) To consider and approve appointment of Mrs. Kejal Pandya, (DIN: 07048046), as Non-Executive independent Director.
- 6) Re-appointment of Mr. Govindrajapuram Seshadri Venkatachalam (DIN: 02205898) as Executive Director of the Company.

Affix  
Revenue  
stamp

Sign this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of Shareholder: \_\_\_\_\_

Signature of proxy holder (s): \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

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

**Form No: MGT-12****POLLING PAPER**

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 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.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended on March 31, 2018 together with the Reports of the Board of Directors' and Auditors' thereon for the year ended on March 31, 2018			
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 declare dividend of Rs. 2.5 per Ordinary (Equity) share of Rs. 10/- each for the financial year 2017-18.			
4	To appoint M/s. K. C. Mehta, Chartered Accountants, as statutory auditors of the Company, and to fix their remuneration.			
5	To consider and approve appointment of Mrs. Kejal Pandya, (DIN: 07048046), as Non-Executive independent Director.			
6.	Re-appointment of Mr. Govindrajapuram Seshadri Venkatachalam (DIN: 02205898) as Executive Director of the Company.			

Place :

Date :

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 (Signature of Shareholder)

To

*If undelivered, please return to*



**Diamines**  
Quality driven

**Diamines and Chemicals Limited**

Regd Office :

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