

July 13, 2019

BSE Limited  
Department of Corporate Services,  
25, P. J. Towers,  
Dalal Street,  
Mumbai – 400 001

**Stock Code: 500120**

Sub. Submission of revised Annual Report 2018-19 and Notice convening the 43<sup>rd</sup> Annual General Meeting of the Company  
Ref. Intimation dated July 11, 2019 under Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as amended

Dear Sir,

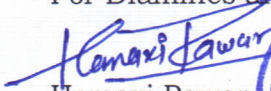
Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we submit herewith the revised Annual Report of the Company for the Financial Year 2018-19 along with the Notice convening the 43<sup>rd</sup> Annual General Meeting will be held on August 09, 2019 at 12:00 noon at the Registered Office of the Company at Plot no.13, PCC Area, P.O. Petrochemicals, Vadodara – 391346.

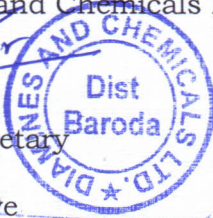
Kindly take the same on record.

Thanking You,

Yours Faithfully,

For Diamines and Chemicals Ltd

  
Hemaxi Pawar  
Company Secretary



ENCL: As above

**43rd  
ANNUAL REPORT  
2018-2019**



**Diamines And Chemicals Limited**

CIN NO:L24110GJ1976PLC002905

**FINANCIAL HIGHLIGHTS OF THE LAST DECADE**

(₹ In Lakhs)

FINANCIAL YEAR ENDING	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	31.03.2019
TOTAL REVENUE (INCLUDING EXCISE DUTY)	3374.46	5883.13	9119.77	7315.43	6411.36	4947.08	4338.38	3984.76	3882.38	4,001.11	4,828.11
OPERATING PROFIT (LOSS)(PBIT)	531.03	1867.79	2515.40	1077.91	834.83	620.22	514.09	482.18	940.97	1,203.24	1,989.61
PROFIT (LOSS) BEFORE INCOME TAX	209.59	1446.93	2028.43	503.45	215.01	79.31	(29.75)	8.52	573.59	823.93	1781.91
PROFIT (LOSS)/AFTER INCOME TAX	136.32	935.42	1470.99	360.42	170.04	75.04	(155.36)	25.33	479.81	708.90	1313.18
GROSS FIXED ASSETS	4614.17	5461.06	5782.02	6333.72	6454.92	6535.36	6536.99	6532.37	2,739.18	2,801.98	3,010.84
NET FIXED ASSETS	2319.15	3002.75	3124.11	3450.15	3323.45	3151.35	2929.99	2733.10	2544.58	2413.87	2444.91
NET CURRENT ASSETS	708.93	1298.07	63.80	179.35	89.98	235.96	387.80	304.52	1617.33	2011.26	2641.79
EQUITY SHARE CAPITAL	652.22	652.22	652.22	978.32	978.32	978.32	978.32	978.32	978.32	978.32	978.32
RESERVES & SURPLUS (excluding revaluation reserve)	966.23	1449.15	2128.49	2049.10	2161.92	2236.96	2070.24	2103.10	2779.26	3282.66	3902.71
BOOK VALUE (₹)	20.21	32.22	42.63	30.94	32.10	32.87	31.16	31.50	38.40	43.55	49.89
EARNING PER SHARE (₹)	2.09	14.34	22.55	3.68	1.74	0.77	(1.59)	0.26	4.90	7.25	13.42
EQUITY DIVIDEND (%)	10%	20%	60%	10%	5%	-	-	-	15%	25%	50%

**Notes:**

- Figures are rupees in lakhs except book value and earning per share which are absolute rupee value per equity share and proposed dividend which is in percentage on equity share nominal value.
- Figures from the year ended on 31st March, 2017 onwards are as per Ind AS.
- Operating profit for the year ended 31st March, 2018 is before exceptional 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 (upto 11.02.19)	Independent Director
Dr. Ambrish Dalal	Independent Director
Mr. Shreyas Mehta	Independent Director
Mrs. Kejal Pandya (w.e.f. 27.04.18)	Independent Director

**Company Secretary**

Ms. Hemaxi Pawar

**Chief Financial Officer**

Mr. Dipen Ruparelia

**Auditors**

M/s K. C. Mehta & Co.  
Chartered Accountants  
Meghdhanush, Race Course,  
Vadodara - 390 007, India.

**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

**Registrar & Share Transfer Agent**
**M/s MCS Share Transfer Agent Ltd.**  
**(Upto 30.09.2019)**

88, Neelam Appt., Above Chhapan Bhog,  
Sampatrao Colony, Alkapuri,  
Vadodara - 390007 Gujarat, India.

**M/s Link Intime India Pvt. Ltd.**  
**(w.e.f. 01.10.2019)**

B-102 & 103, Shangrila Complex,  
First Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta, Akota,  
Vadodara-390 020 Gujarat, India.

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## NOTICE

**NOTICE** is hereby given that the **43<sup>rd</sup> (Forty-Third)** 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 Friday, the **9<sup>th</sup> Day of August, 2019 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 31<sup>st</sup> March, 2019 together with the Reports of the Board of Directors' and Auditors' thereon for the year ended on 31<sup>st</sup> March, 2019.
2. To appoint a Director in place of Mr. Amit Mehta (DIN: 00073907) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. G. S. Venkatachalam (DIN: 02205898) who retires by rotation and being eligible, offers himself for re-appointment.
4. To confirm the payment of Interim Dividends on Equity Shares for financial year 2018-19 and to declare final dividend of ₹ 2 per Ordinary (Equity) share of ₹ 10/- each for the financial year 2018-19.

### **SPECIAL BUSINESS:**

5. **Re-appointment of Mr. Rajendra Chhabra as an Independent Non-Executive Director.**

To consider, and if thought fit, to pass following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be in force from time to time, Mr. Rajendra Chhabra (DIN: 00093384), Independent Non-Executive Director of the Company, whose present term of office as an Independent Director expires on 11<sup>th</sup> August, 2019 has given his consent for the re-appointment and has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and the applicable Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 12<sup>th</sup> August, 2019 to 11<sup>th</sup> August, 2024 and whose office shall not be liable to retire by rotation, as recommended by the Nomination and Remuneration Committee.”

**“RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

6. **Re-appointment of Dr. Amrish Dalal as an Independent Non-Executive Director.**

To consider, and if thought fit, to pass following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Amrish Dalal (DIN: 02546506), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and the applicable Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 12<sup>th</sup> August, 2019 to

11<sup>th</sup> August, 2024 and whose office shall not be liable to retire by rotation, as recommended by the Nomination and Remuneration Committee.”

“**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**7. Re-appointment of Mr. Shreyas Mehta as an Independent Non-Executive Director.**

To consider, and if thought fit, to pass following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Shreyas Mehta (DIN: 00211592), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and the applicable Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 8<sup>th</sup> May, 2020 upto 7<sup>th</sup> May, 2025 and whose office shall not be liable to retire by rotation, as recommended by the Nomination and Remuneration Committee.”

“**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**8. Change in place of keeping of Registers and Returns.**

To consider and if thought fit, to pass following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 94 of the Companies Act, 2013 read with of Companies (Management and Administration) Rules, 2014 and other applicable provision and Rules, if any, of the Companies Act, 2013, the Company hereby approves, the keeping of the Register and Index of Members, Register and Index of Debenture holders, Register of any other security holders and copies of Annual Returns of the Company prepared under Section 92 of the said act, together with copies of certificates and documents as required to be annexed thereto under the said act or any one or more of them, at the office of Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd. at B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020.

**RESOLVED FURTHER THAT** Mr. G. S. Venkatachalam, Executive Director and/or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters as deem fit and necessary to give effect to this resolution.”

**Place : Mumbai**

**Date : May 17, 2019**

**CIN NO: L24110GJ1976PLC002905**

**REGISTERED OFFICE:**

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

**By Order of the Board**

**Hemaxi Pawar**

Company Secretary  
Membership No.: A52581

**NOTES:**

1. The Explanatory Statement, for Item No. 5 to 8 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, 3, 5, 6 & 7 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 (FOURTY-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 **2<sup>nd</sup> August, 2019 to 9<sup>th</sup> August, 2019** (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 dematerialization 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 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 2011-12 are requested to claim their unclaimed dividend before September 14, 2019. Members who have not en-cashed their above Dividend Warrants may approach to the Company/RTA immediately for revalidation. The Company shall thereafter as mentioned above, process to transfer the unclaimed dividend amount to the Investor Education and Protection Fund and no claim shall lie against the Company for the said amount of unclaimed dividend so transferred. A sum of ₹ 508020/- has been transferred to the Investor Education and Protection Fund in the year 2018 towards unclaimed/unpaid dividend for the Final Dividend for the financial 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 to the companies registrar and share transfer agent. The format is available on website of the company at [www.dacl.co.in](http://www.dacl.co.in)
10. As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more have been transferred/ in process of transfer to the IEPF Account.

11. In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a duly signed physical copy of the same to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are required to submit their PAN to their Depository Participants and Members holding shares in physical form shall submit their PAN to Company's Registrar & Share Transfer Agent or to the Company Secretary at the registered office of the Company.
13. Members are requested to notify immediately:
  - (a) Any change in their residential address.
  - (b) Income-tax Permanent Account Number (PAN).
  - (c) Bank details – Name and address of the bank; A/c No.; type of A/c
14. 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.
15. 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.
16. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
17. 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, (Upto 30.09.2019)\***

88, Neelam Apt,  
Above ChappanBhog,  
Sampatrao Colony,  
Alkapuri, Vadodara – 390 007  
Tel. (0265)2350490/2314757  
Fax: (0265) 2341639  
Email: [mcsltbaroda@gmail.com](mailto:mcsltbaroda@gmail.com)

**M/s. Link Intime India Pvt. Ltd. (w.e.f. 01.10.2019)\***

B-102 & 103, Shangrila Complex, First Floor,  
Opp. HDFC Bank,  
Near Radhakrishna Char Rasta,  
Akota, Vadodara – 390 020.  
Te. (0265) 2356573  
Email: [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)

\* The Board has approved to change RTA subject to approval by Members in the AGM.

18. **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.**
19. SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after 31<sup>st</sup> March, 2019 transfer of securities could not be



processed unless the securities are held in the dematerialized form with a depository. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.

20. 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 Registrar and Share Transfer Agent, for consolidation into a single folio. The share certificates will be returned to the members after making requisite changes thereon.
21. 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.
22. 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.
23. 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; **940 Shareholders & 26,281 shares**
  - (ii) Number of shareholders who approached issuer for transfer of shares from suspense account during the year: **Nil**
  - (iii) Number of shareholders to whom shares were transferred from suspense account during the year: **Nil**
  - (iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; **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.
24. 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.
25. The notice of AGM along with the Annual report 2018-19 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.
26. Members are requested to bring their copy of the Annual Report to the Annual General Meeting as an austerity measure.

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 2<sup>nd</sup> August, 2019 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 43<sup>rd</sup> Annual General Meeting (AGM) and the business at the 43<sup>rd</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 Mr. Sandip Sheth (Mem No. 5467) or failing him Mr. Prashant Prajapati (Mem No. 32597) of M/s. Sandip Sheth & Associates, the firm of Company Secretaries in whole time practice, 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.

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

**The instructions for e-voting are as under:**

**A. Instructions for Demat folios:**

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

- (i) The voting period begins on <August 05, 2019 at 9:00 a.m.> and ends on < August 08, 2019 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 <August 02, 2019>, 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>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 OR date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also use Mobile app - “m - Voting” for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

(xix) 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 Corporates.

- 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, user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login 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.
- (xx) 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 August 05, 2019, at 9.00 a.m. and ends on August 08, 2019, 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 August 02, 2019, 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.com](http://www.evotingindia.com) 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 Monday, August 05, 2019 (9.00 a.m. IST) and ends on Thursday, August 08, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on August 02, 2019, 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 August 02, 2019.
- 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. Friday, August 02, 2019, 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 CDSL 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.com](http://www.evotingindia.com) or contact CDSL at the toll free number: 18002005533 or you can write to the Company Secretary / compliance officer of the Company – Ms. Hemaxi Pawar on the office number: +91-0265-3920200 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 Thursday, August 08, 2019 (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 Thursday, 8<sup>th</sup> August, 2019 (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. Route Map to the venue of Annual General Meeting is attached herewith this notice.

**CIN NO: L24110GJ1976PLC002905**

**REGISTERED OFFICE:**

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

By Order of the Board

**Hemaxi Pawar**  
Company Secretary  
Membership No.: A52581

Place : Mumbai

Date : May 17, 2019

**ANNEXURE TO THE NOTICE**

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

**ITEM NO. 2:**

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

Mr. Amit Mehta is the Vice Chairman of the Company since 14<sup>th</sup> March, 2001. He is also one of the Promoters of the Company. Mr. Amit Mehta aged 64 years, is a successful businessman, having over 40 years' of experience in the business of chemicals. His skills and knowledge is of immense help to the Company in achieving desired sales target and in maintaining cordial relations with customers at large.

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

1. Perfo Chem (India) Pvt. Ltd.
2. S. Amit Speciality Chemicals Pvt. Ltd.
3. Insight Health Scan Pvt. Ltd.
4. Topnotch Reality Pvt. Limited
5. Pinami Reality Pvt. Ltd.
6. Finorga (I) Pvt. Ltd.
7. Value E-Healthcare Ltd.
8. Global Local Lifestyle Services Pvt. Ltd.
9. Tomorrowland Apparels Pvt. Ltd.
10. Sadhana Nitro Chem Ltd.

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

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

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

**ITEM NO: 3**

Mr. Govindarajapuram Seshadri Venkatachalam aged about 64 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 and also re-appointed with effect from 7<sup>th</sup> February, 2018 for the period of 3 years. 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.

Mr. G. S. Venkatachalam holds 11,717 equity shares in the Company and he is an executive director of the company.

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

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

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

**ITEM NO. 5: Re-appointment of Mr. Rajendra Chhabra as an Independent Non-Executive Director.**

Mr. Rajendra Chhabra was appointed as an Independent Non-Executive Director of the Company by the members at the 38<sup>th</sup> AGM of the Company held on 12<sup>th</sup> August, 2014 for a period of five consecutive years commencing from 12<sup>th</sup> August, 2014 upto 11<sup>th</sup> August, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Chhabra, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 12<sup>th</sup> August, 2019 upto 11<sup>th</sup> August, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the applicable Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Chhabra fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Chhabra as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.



The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Chhabra as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Chhabra as an Independent Director for another term of five consecutive years with effect from 12<sup>th</sup> August, 2019 upto 11<sup>th</sup> August, 2024, for the approval by the shareholders of the Company.

**MR. RAJENDRA CHHABRA (DIN: 00093384)**

Mr. Rajendra Chhabra is an independent Director of the company and he holds this position in the company since 14<sup>th</sup> March, 2001. He is a Practicing Chartered Accountant. Mr. Chhabra has vast knowledge in the field of Accounts and Finance. During his tenure since 2001, he has played very active and significant role in setting up the complete transparency and integrity in finance functions of the Company.

Mr. Rajendra Chhabra holds 7,800 Equity shares in the company. He is also on the Board of the Value Healthcare Ltd.

Except Mr. Rajendra Chhabra, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. Rajendra Chhabra is not related to any Director of the Company.

**ITEM NO. 6: Re-appointment of Dr. Ambrish Dalal as an Independent Non-Executive Director.**

Dr. Ambrish Dalal was appointed as an Independent Non-Executive Director of the Company by the members at the 38<sup>th</sup> AGM of the Company held on 12<sup>th</sup> August, 2014 for a period of five consecutive years commencing from 12<sup>th</sup> August, 2014 upto 11<sup>th</sup> August, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Dalal, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 12<sup>th</sup> August, 2019 upto 11<sup>th</sup> August, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the applicable Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Dr. Dalal fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Dalal as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Dalal as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Dr. Dalal as an Independent Director for another term of five consecutive years with effect from 12<sup>th</sup> August, 2019 upto 11<sup>th</sup> August, 2024, for the approval by the shareholders of the Company.

**DR. AMBARISH DALAL (DIN: 02546506)**

Dr. Ambarish Dalal is an independent Director of the Company and he hold this position in the Company since 31.03.2009. Dr. Dalal is MBBS, D.M.R.E., Diplomate American Board of Radiology, is a senior Practicing radiologist.

He holds 200 equity shares in the Company.

He is also on the Board of the following companies:

1. Insight Healthscan Pvt. Ltd.
2. Perfect Image Cosmetology Pvt. Ltd.

Except Dr. Ambarish Dalal, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Dr. Ambarish Dalal is not related to any Director of the Company.

**ITEM NO. 7: Re-appointment of Mr. Shreyas Mehta as an Independent Non-Executive Director.**

Mr. Shreyas Mehta was appointed as an Independent Non-Executive Director of the Company by the members at the 39<sup>th</sup> AGM of the Company held on 11<sup>th</sup> August, 2015 for a period of five consecutive years commencing from 8<sup>th</sup> May, 2015 upto 7<sup>th</sup> May, 2020.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mehta, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 8<sup>th</sup> May, 2020 upto 7<sup>th</sup> May, 2025.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the applicable Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Mehta fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Mehta as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Mehta as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Mehta as an Independent Director for another term of five consecutive years with effect from 8<sup>th</sup> May, 2020 upto 7<sup>th</sup> May, 2025, for the approval by the shareholders of the Company.

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

**MR. SHREYAS MEHTA (DIN: 00211592)**

Mr. Shreyas Mehta, aged about 67 years is an independent Director of the Company. Mr. Shreyas Mehta is a successful Businessman and has about 28 years of experience in various industries in India and abroad. Mr. Mehta holds 9000 Equity Shares in the Company. He holds Directorship in the following Companies;

1. Specular Marketing & Financing Ltd.
2. Ornamentations (I) Pvt. Ltd.

Resolution placed at item no. 7 of the notice is recommended for approval of the Shareholders as Special resolution.

Except Mr. Shreyas Mehta, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of the AGM. Mr. Shreyas Mehta is not related to any Director of the Company.

**ITEM NO. 8**

The Company's Registrar and Share Transfer Agent viz., M/s MCS Share Transfer Agent Limited has their regional office at 1<sup>st</sup> Floor, Neelam Apartments, 88, Sampatrao Colony, Vadodara-07. The management has decided to change company's RTA from M/s MCS Share Transfer Agent Limited to M/s Link Intime India Pvt. Limited for better services and facilitate shareholders communication effectively. In view of this, approval of Members is required for keeping the Registers and Returns as mentioned in Section 94 of the Companies Act, 2013 read with applicable Rules made thereunder (as amended from time to time) at the address of Registrar and Share Transfer Agent or such other place as the Registrar and Share Transfer Agent may change from time to time.

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

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

**CIN NO: L24110GJ1976PLC002905**

**REGISTERED OFFICE:**

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

By Order of the Board

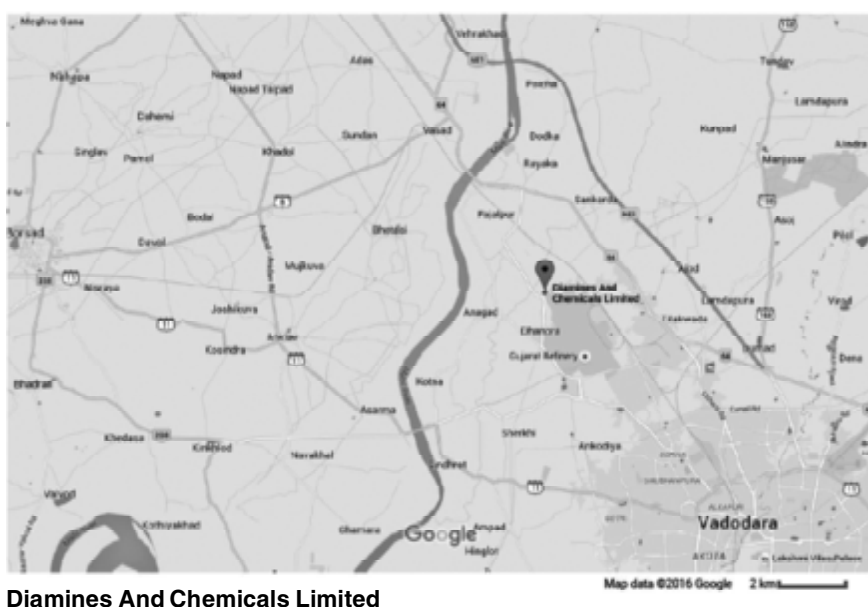
**Hemaxi Pawar**  
Company Secretary  
Membership No.: A52581

Place : Mumbai

Date : May 17, 2019


## **AGM Venue**


### **Venue to the 43<sup>rd</sup> AGM of the Company**



#### **Diamines And Chemicals Limited Chemical Manufacturer**

 Plot No. 13, PCC Area, P.O. Petrochemicals, Vadodra, Gujarat 391346

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

 0265 392 0200

## BOARD'S REPORT

To the Members,

Your Directors are pleased to present the 43<sup>rd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2019.

### 1. Financial Results

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

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
Net Sales and Other Income	4,828.11	4,001.11
<b>Profit before Finance costs and Depreciation</b>	<b>1,989.61</b>	<b>1,203.24</b>
<b>Expenses</b>		
Finance cost	7.06	31.98
Depreciation and amortisation expenses	200.64	194.81
<b>Profit from ordinary activities before tax and Exceptional Item</b>	<b>1,781.91</b>	<b>976.45</b>
Exception Items	-	152.52
<b>Profit from ordinary activities before tax</b>	<b>1,781.91</b>	<b>823.93</b>
<b>Tax expense</b>		
Current tax	447.20	216.55
Tax relating to earlier years	(6.41)	-
Deferred tax	27.94	(101.52)
<b>Net Profit from ordinary activities after tax</b>	<b>1,313.18</b>	<b>708.90</b>
Other comprehensive income /(expense) (net of tax)	(47.14)	(28.89)
<b>Total comprehensive income for the period</b>	<b>1,266.04</b>	<b>680.01</b>
<b>Balance of profit brought forward</b>	<b>2,706.96</b>	<b>2,176.96</b>
<b>Dividend paid</b>		
- Interim of current year	(293.50)	NIL
- Proposed Final of previous year	(244.58)	(146.75)
Corporate Dividend Tax	(107.91)	(29.87)
Transfer to General Reserve		
<b>Balance carried to Balance Sheet</b>	<b>3,368.13</b>	<b>2,706.96</b>
<b>Basic &amp; diluted earning per equity share on Net profit from ordinary activities after tax (face value ₹ 10/- each) (In Rupees)</b>	<b>13.42</b>	<b>7.25</b>

**2. Dividend**

Dividends paid during the year ended 31<sup>st</sup> March, 2019 include an amount of ₹ 2.50 per equity share towards final dividend for the year ended 31<sup>st</sup> March, 2018 and an amount of ₹ 3 per equity share towards interim dividends for the year ended 31<sup>st</sup> March, 2019 on 9783240 equity shares of ₹ 10/- each.

The Board of Directors **recommended** a final dividend of ₹ 2 per Ordinary share on 9783240 ordinary shares of ₹ 10/- each for the year ended on 31<sup>st</sup> March, 2019. The Dividend for the year ended 31<sup>st</sup> March, 2019 is subject to the approval of members at the Annual General Meeting on 9<sup>th</sup> August, 2019 and will be paid within statutory time period, if approved by the members at the Annual General Meeting.

**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 2018-19 was registered at ₹ 4828.11 lakhs as compared to income of ₹ 4001.11 lakhs for the year 2017-18.

Net profit after tax was ₹ 1313.18 lakhs as compared to ₹ 708.90 lakhs in previous financial year.

Sales volumes for the year 2018-19 were at 2322.15 MT as compared to 1952.45 MT for the year 2017-18.

**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 2011-12 is due for remittance on 14<sup>th</sup> September, 2019, which has not been claimed by shareholders of the Company. Shareholders are required to lodge their claims with the Company's RTA 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 ₹ 10.40 Lakhs in the area of Education and Empowerment. The CSR policy of the Company may be accessed on the Company website at the link: <http://www.dacl.co.in/investors/CSR.pdf>. 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 in earlier years 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 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 [http://www.dacl.co.in/investors/RPT\\_Policy.pdf](http://www.dacl.co.in/investors/RPT_Policy.pdf).

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 4 (Four) Board meetings during the financial year. During the year under review, Board Meetings were held respectively on 4<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 26<sup>th</sup> October, 2018 and 12<sup>th</sup> February, 2019. Your Directors confirm that to the best of their knowledge and belief, applicable provisions related to Secretarial Standards on the Meetings of the Board of Directors, issued by the Institute of Company Secretaries of India and approved by the Central Government, have been complied with. 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. :

Sr. No.	Name of the Director	No. of Board Meetings attended out of 6 held
1.	Mr. Yogesh M. Kothari	4
2.	Mr. Amit M. Mehta	4
3.	Mr. Kirat Patel	4
4.	Mr. Dhruv Kaji (Upto 11.02.2019)	2
5.	Mr. Rajendra Chhabra	4
6.	Mr. G. S. Venkatachalam	4
7.	Dr. Ambrish Dalal	4
8.	Mr. Shreyas Mehta	1
9.	Mrs. Kejal Pandya (w.e.f. 27.04.2018)	4

#### 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 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, company did not have any 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. Amit Mehta (DIN:00073907) and Mr. G. S. Venkatachalam (DIN: 02205898), Directors of the company retire at this Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend their re-appointment.

During the year under, Mrs. Kejal Pandya, Independent women director appointed with effect from 27<sup>th</sup> April, 2018. Also, Mr. Dhruv Kaji, Independent non-executive Director of the Company resigned from the Directorship of the Company with effect from 12<sup>th</sup> February, 2019 before the expiry of his tenure. The reason for his resignation is that he has been appointed as a Director on Boards of number of Companies and he was facing problems of clashing meeting dates as well as lack of time to do justice to his role in the Company. The Board confirmed that there is no other material reason other than provided by him.

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

**22. 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.

**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. In 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. Dipen Ruparelia, Chief Financial Officer and Ms. Hemaxi Pawar, Company Secretary are the Key Managerial Personnel of the Company.

Mr. Sudip Ray, Chief Financial Officer, resigned from the Company with effect from 14<sup>th</sup> October, 2018. The Board has accepted his resignation and relieved him from duties. The Board Members appointed Mr. Dipen Ruparelia holding ICAI membership number as 141542, as the Chief Financial Officer of the Company with effect from 12<sup>th</sup> February, 2019.

Ms. Scany Parmar, Company Secretary has also resigned from the Company with effect from 24<sup>th</sup> November, 2018. During the period under review, Ms. Hemaxi Pawar, an associate member of the Institute of Company Secretaries of India has been appointed as Company Secretary of the Company with effect from 12<sup>th</sup> February, 2019.

**27. Auditors:**

**a. Statutory Auditors**

In accordance with the provisions of Companies Act, 2013, at the 42<sup>nd</sup> Annual General Meeting held on 6<sup>th</sup> August, 2018, the shareholders had appointed M/s K.C Mehta & Co., Chartered Accountants (ICAI Firm Registration No. 106237W), as Statutory Auditors of the Company, for a period of 5 years i.e. up to the conclusion of 47<sup>th</sup> Annual General Meeting to be held for the adoption of accounts for the financial year ending 31<sup>st</sup> March, 2023. As Companies (Amendment) Act, 2017 has done away with the requirement of ratification at every Annual General Meeting, no ratification for the appointment is required. There is no qualification or adverse remark in Auditors' report. As regards the comments made in the Auditors' Report, the Board is of the opinion that the same are self-explanatory and does not require further clarification.

**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 SEBI (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 [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 Lakhs Only) and paid-up, issued and subscribed share capital of the company is ₹ 9,78,32,400/- (Rupees Nine Crore Seventy-Eight Lakhs 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.

**b. SWEAT EQUITY**

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

**c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

**d. EMPLOYEES STOCK OPTION PLAN**

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

**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 Insider Trading Policy Regulations of SEBI and amendments thereto, your Directors have framed Insider Trading Regulations and Code of Internal Procedures and Conducts for Regulating, Monitoring and Reporting of Trading by Insider as well as Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The same is also posted on the website of the Company.

**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 website of the Company at 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 and amendments thereunder, a separate section forming part of this report and titled as "Corporate Governance" is attached herewith as "**ANNEXURE-I**".

**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 2018-19. 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**

**Place : Mumbai**  
**Date : May 17, 2019**

## **ANNEXURE – A**

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

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

Your Company is key 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 2018-19 amounted to ₹ 4828.11 lakhs compared to ₹ 4001.11 lakhs of the previous year 2017-18. The operating profit after tax amounted to ₹ 1313.18 lakhs compared to ₹ 708.90 lakhs 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 Operating Segments Reporting are made part of this Annual Report in Note 41 of Financial Statements.

#### **STRENGTHS & OPPORTUNITIES:**

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

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

#### **CONCERNS & THREATS:**

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

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

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

#### **OUTLOOK:**

For the year 2019, 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 this is expected to continue in the year 2019-20 also. Your company is well aware of the challenging scenario lying ahead and taking necessary steps by planning activities properly at operational stages.

Further, Machineries & Equipment pertaining to company's EDC Plant which have remained idle for considerable period of time. Your company had been exploring the various alternative usages of said plant and had been continually doing research on finding effective ways to utilize the EDC Plant. The company, as a result of its intense research, has narrowed down various options with respect to effective usage of the plant and identified three new products which could be manufactured through EDC plant. The management believes that there is a healthy demand of identified new products in the market. The Research & Development Department of the Company is presently focusing on activities related to the plant overhaul and making efforts to make it ready for the intended use in near future.

#### **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.

#### **KEY FINANCIAL RATIOS:**

<b>Ratio</b>	<b>FY 2018-19</b>	<b>FY 2017-18</b>
Debtors Turnover Ratio (times)	6.23	5.20
Inventory Turnover Ratio (times)	4.86	4.09
Current Ratio (times)	4.12	4.49
Operating Profit Margin (%)	37.81	25.49
Net Profit Margin (%)	27.75	17.92
Earnings Per Share (times)	13.42	7.25
Dividend Per Share (₹)	5.00	2.50
P/E Ratio (times)	8.96	11.86
Return on Net Worth (%)	26.90	16.64

Reason for significant change (increase in profit)

- Operating/Net Profit margin has been improved significantly mainly due to increase in sales and change in product mix as well as comparatively reduction cost of material consumption with change in inventory and finance cost. Further, in previous year there was a loss on sale of plot considered as exceptional items.
- Interest Coverage and Debt Equity Ratio is not relevant here as company has no outstanding term loan / debt during the year. Interest on working capital loan is only charged in current year.
- Increasing in Net Worth with higher profit margin after appropriation.

**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**

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

**Place : Mumbai**

**Date : May 17, 2019**

## ANNEXURE – B

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

Particulars	Current Year 2018-19	Previous Year 2017-18
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>Electricity</b>		
a) Purchased Unit	2104590	1716735
Total Amount (in Lakhs)	111.54	86.44
Rate/Unit (₹)	5.30	5.04
b) Own Generation		
<b>Through Diesel generator</b>		
Units	23600	50944
Units/Ltr. of Diesel Oil	2.27	2.48
Cost/Unit (₹)	31.68	25.29
<b>Coal</b>		
Quantity in tonnes	3352	2757
Total Cost (in Lakhs)	222.70	174.90
Average Rate/Tonne	6,644	6,344
<b>LDO &amp; FO</b>		
Quantity in tonnes	371	346
Total Cost (in Lakhs)	142.12	100.85
Average Rate/Tonne	38,318	29,148
Units (KWH in thousand)	4,726.27	4060.93
Total Amount (in Lakhs)	296.88	233.94
Average Generation Rate (₹ / unit)	6.28	5.76
<b>B. CONSUMPTION PER TONNE OF PRODUCTION:</b>		
Production of Speciality Chemicals (MT)	2302	2022
Electricity (Unit)	914	849
Coal (Tonnes)	1.46	1.36
FO/LDO (Tonnes)	0.16	0.17

**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 and development of new 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               | : ₹ 31.61 lakhs/-      |
| (2) Revenue               | : ₹ 65.38 lakhs/-      |
| (3) Total                 | : ₹ 96.99 lakhs/-      |
| (4) Total R&D expenditure | : 2% 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 31 <sup>st</sup> March,	2019 (₹)	2018 (₹)
Foreign Exchange Earnings	90,07,118	3,81,90,668
Foreign Exchange outgo	11,91,69,976	10,26,72,469



## 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 ₹ 51,952,233/-

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

The Company is required to spend ₹ 10,39,045/-

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

- A) Total amount spent for the financial year; ₹ 10,40,000/-
- 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	Research Instruments to Training campus department	Promoting education	Ahmedabad, Gujarat	5,40,000	5,40,000	Through Implementing Agency
2	Treatment to child patients	Health	Ahmedabad, Gujarat	5,00,000	5,00,000	Through Implementing Agency
	<b>TOTAL</b>			<b>10,40,000</b>	<b>10,40,000</b>	

#### Details of the Implementing Agencies:

1. Gujarat Vidyapith, Department of Microbiology & Biogas Research Center
2. Health & Care Foundation

#### 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.

Chairman

Place : Mumbai  
Date : May 17, 2019

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

Sr. No	Company Name	Date of Making Investment	Amount of Advance/Loan	Date of Board Approval	Nature of Advance/Loan/ Investment
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 31.03.2019

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	95.49%
2	Electric Power Generation using other non-Conventional Sources (Windmill)	35106	4.51%

#### 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-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% 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	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	3996563	0	3996563	40.85	3996563	0	3996563	40.85	0
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>0</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	50	3076	3126	0.03	50	3076	3126	0.03	0
b) Banks / FI	136	75	211	0.00	136	75	211	0.00	0
c) Central Govt.	68291	0	68291	0.69	68291	0	68291	0.69	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	100	200	300	0.00	100	200	300	0.00	0
g) FIIs	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>68577</b>	<b>3351</b>	<b>71928</b>	<b>0.73</b>	<b>68577</b>	<b>3351</b>	<b>71928</b>	<b>0.73</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	129825	19429	149254	1.53	120998	19429	140427	1.43	(0.10)
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0

b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1689811	340244	2030055	20.75	1708146	294629	2002775	20.47	(0.28)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	914871	0	914871	9.35	905106	0	905106	9.25	(0.10)
c) Others (specify)-HUF	160154	0	160154	1.64	214119	0	214119	2.19	0.55
Non-Resident Indians	77716	485	78,201	0.80	69623	485	70108	0.72	(0.08)
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>	<b>2972377</b>	<b>360158</b>	<b>3332535</b>	<b>34.07</b>	<b>3017992</b>	<b>314543</b>	<b>3332535</b>	<b>34.07</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3040954</b>	<b>363509</b>	<b>3404463</b>	<b>34.80</b>	<b>3086569</b>	<b>317894</b>	<b>3404463</b>	<b>34.80</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>9419731</b>	<b>363509</b>	<b>9783240</b>	<b>100</b>	<b>9465346</b>	<b>317894</b>	<b>9783240</b>	<b>100</b>	<b>0</b>

**B) Shareholding of Promoter-**

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

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

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

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
Sharad Kanayalal Shah	166000	1.69	12585	-	178585	1.82
Dipak Kanayalal Shah	120000	1.23	1000	-	121000	1.24
Pradeep R Datar	85812	0.87	16513	-	102325	1.04
Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	68291	0.70	-	-	68291	0.70
Vikram Mohandeep Chandiramani	52460	0.53	1000	-	53460	0.55
Pinakin Kantilal Patel	50212	0.51	-	-	50212	0.51
Dhiresbhai T. Shah	48232	0.49	-	-	48232	0.49
Jigna Kanayalal Shah	47000	0.48	-	-	47000	0.48
Varsha Sharad Shah	41000	0.42	-	-	41000	0.42
Gouresh H Sinari HUF	-	-	40446	-	40446	0.41
Pravin Kantilal Vakil	38390	0.39	-	2487	35903	0.37
Padma Jitendra Parekh	35541	0.36	-	-	35541	0.36

Note: Top ten (10) shareholders as on 31<sup>st</sup> March, 2019 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 (ED)	5842	0.06	5875	0.06	11717	0.12
Mr. Dipen Ruparelia**(CFO)	0	0.00	0	0	0	0.00
Ms. Hemaxi Pawar** (CS)	0	0.00	0	0	0	0.00

\*Part of the year

\*\*Mr. Dipen Ruparelia is appointed as the Chief Financial Officer and Ms. Hemaxi Pawar is appointed as Company Secretary of the Company with effect from 12<sup>th</sup> February, 2019.

**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	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</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>	-	-	-	-

**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/WT/ 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	36,66,000	36,66,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	98,455	98,455
	(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>43,64,455</b>	<b>43,64,455</b>

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

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>Shreyas Mehta</b>	<b>Kejal Pandya**</b>	
	Fee for attending board/committee meetings	2.36	0.40	1.00	0.20	1.20	5.16
	Commission*	2.32	NIL	0.93	0.93	0.93	5.11
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	4.68	0.40	1.93	1.13	2.13	10.27
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	0.86	0.96	2.50	-	-	4.32
	Commission*	5.58	5.58	2.32	-	-	13.48
	Others, please specify	NIL	NIL	NIL	-	-	NIL
	Total (2)	6.44	6.54	4.82	-	-	17.80
	Total (B)=(1+2)						28.07

\*Commission is payable for the year 2018-19

\*\* Part of the year

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

SN	Particulars of Remuneration	Key Managerial Personnel					Total
		ED	CS		CFO		
1	Gross salary	Mr. G S Venkata-chalam	Ms. Scany Parmar (up to 23.11.18)	MS. Hemaxi Pawar (w.e.f. 12.02.19)	Mr. Sudip Ray (up to 13.10.18)	Mr. Dipen Ruparelia (w.e.f. 12.02.19)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,66,000	2,09,655	32,429	5,81,520	1,93,239	46,82,844
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	98,455	-	-	-	-	98,455
	I Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	NA	NA	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA	NA	NA
4	Commission*	6,00,000	NA	NA	NA	NA	6,00,000
	- as % of profit	NA	NA	NA	NA	NA	NA
	others, specify...	NA	NA	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA	NA	NA
	Total	43,64,455	2,09,655	32,429	5,81,520	1,93,239	53,81,299

**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.	Mr. G.S.VENKATACHALAM : 14.90 times
II	The percentage increase in remuneration of each Director, CFO, ED, CS in the financial year	Mr. G S Venkatachalam (ED) : 9.06% Mr. Dipen Ruparelia (CFO) : Appointed on 12.02.2019 Mr. Sudip Ray (CFO) : Resigned on 13.10.2018 Ms. Hemaxi Pawar (CS) : Appointed on 12.02.2019 Ms. Scany Parmar (CS) : Resigned on 23.11.2018
III	The percentage increase in the median remuneration of the employees in the financial year.	The median remuneration of the employees in FY 2019 was increased by 32%.
IV	The number of permanent employees on the rolls of the Company	99 as on March 31, 2019.
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, 2019

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, 2019 (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, 2019 according to the provisions of:

- (i.) The Companies Act, 2013 (hereinafter 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, 2018;
  - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (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, 2018; 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 generally 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, except as mentioned below:

- *Late Filing of Quarterly Corporate Governance Report under Regulation 27(2) of SEBI (LODR) Regulations, 2015 for the quarter ended on 31<sup>st</sup> December, 2018;*
- *Transfer of securities not within 15 days by RTA from the date of receipt of documents under regulation 40(3) for the period under review;*
- *Late filing of prescribed returns under Investors Education and Protection Fund provisions.*

**We further report that**

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

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

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*

Firm Unique Code: P2001GJ041000

**Sandip Sheth***Partner*

Place : Ahmedabad

Date : 17th May, 2019

FCS: 5467

CP No.: 4354

*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*  
Firm Unique Code: P2001GJ041000

**Sandip Sheth**  
*Partner*

Place: Ahmedabad  
Date: 17th May, 2019

FCS No: 5467  
COP No.:4354

## **ANNEXURE – H**

CIN : - **L24110GJ1976PLC002905**

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

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

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**M/S. Diamines and Chemicals Ltd.**  
Plot No. 13, PCC Area,  
P.O. Petrofils,  
BARODA-391 347.

We have examined all relevant registers, records, forms and disclosures received from the directors of ***Diamines And Chemicals Limited***, produced before us by the Company for the purpose of certifying compliance of conditions of clause 10 (i) of para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 for the year ended on 31<sup>st</sup> March, 2019. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification. During the course of such certification, we have relied on various information and declaration furnished by each director of the Company as on 31<sup>st</sup> March, 2019 and relied on the online information available with Ministry of Corporate Affairs Portal, its filling position and other web pages.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the clause 10 (i) of para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 for the year ended on 31<sup>st</sup> March, 2019.

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

**Sandip Sheth**  
*Partner*  
FCS: 5467  
CP No.: 4354

Place : Ahmedabad  
Date : May 17, 2019

## ANNEXURE – I

### 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, 2019, 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 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018 (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, 2019, 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. Rajendra Chhabra	Non-Executive Independent Director
6.	Dr. Ambrish Dalal	Non-Executive Independent Director
7.	Mr. Shreyas Mehta	Non-Executive Independent Director
8.	Mr. Dhruv Kaji	Non-Executive Independent Director (up to 11 <sup>th</sup> February, 2019)
9.	Ms. Kejal Pandya	Non-Executive Independent Director (w.e.f. 27 <sup>th</sup> April, 2018)

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

The Board has a variety of matters related to the operations of the Company for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources and reporting to Shareholders. During the year under review, the Board met Four (4) times. The maximum gap between any two meetings was not more than one hundred and twenty (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 Tuesday 12<sup>th</sup> February, 2019 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 Majority of 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 Executive 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. Amit Mehta & Mr. G. S. Venkatachalam, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

#### **BOARD MEETINGS:**

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

During the year under review, Four (4) Board Meetings were held respectively on 4<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 26<sup>th</sup> October, 2018 and 12<sup>th</sup> February, 2019. 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>DIN</b>	<b>Category of Directorship</b>	<b>No. of Board Meetings attended out of 4 held</b>	<b>Attended last AGM held on 06/08/2018</b>
1.	Mr. Yogesh M. Kothari	00010015	Chairman –NED / PD	4	Yes
2.	Mr. Amit M. Mehta	00073907	Vice Chairman – NED/PD	4	Yes
3.	Mr. G. S. Venkatachalam	02205898	ED	4	Yes
4.	Mr. Kirat Patel	00019239	NED	4	Yes
5.	Mr. Rajendra Chhabra	00093384	NED-I	4	Yes
6.	Mr. Dhruv Kaji (upto 11.02.2019)	00192559	NED-I	2	Yes
7.	Dr. Ambrish Dalal	02546506	NED-I	4	Yes
8.	Mr. Shreyas Mehta	00211592	NED-I	1	No
9.	Mrs. Kejal Pandya* (w.e.f. 27.04.2018)	07048046	NED-I	4	Yes

ED : Executive Director

NED : Non – Executive Director

NED-I : Non-Executive & Independent Director

PD : Promoter Director

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

\*Mrs. Kejal Pandya appointed with effect from 27<sup>th</sup> April, 2018 on 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., Section 8 and one person 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	01	01	01
Mr. Amit M. Mehta	02	-	01
Mr. Kirat Patel	02	-	03
Mr. Dhruv Kaji (Upto 11.02.2019)	06	-	-
Mr. Rajendra Chhabra	01	01	01
Mr. G. S. Venkatachalam	-	-	-
Dr. Ambrish Dalal	-	-	-
Mr. Shreyas Mehta	01	-	-
Mrs. Kejal Pandya (w.e.f. 27.04.2018)	-	-	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 composition of the Audit Committee as on 31<sup>st</sup> March, 2019 is as stated below:

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

**NOTE :** Mrs. Kejal Pandya, Member of the Audit Committee and Independent Director appointed on the Board of the Company with effect from 27<sup>th</sup> April, 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			
	03.05.2018	03.08.2018	23.10.2018	11.02.2019
Mr. Rajendra Chhabra	Yes	Yes	Yes	Yes
Mr. Kirat Patel	Yes	Yes	Yes	Yes
Mrs. Kejal Pandya*	Yes	Yes	Yes	Yes

\*Mrs. Kejal Pandya appointed on the Board with effect from 27<sup>th</sup> April, 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 42<sup>nd</sup> Annual General Meeting held on 6<sup>th</sup> August, 2018.

### Stakeholders Relationship Committee of Directors:

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

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

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

Nature of Complaint	Received	Cleared
Non-receipt of Dividend Warrant	Nil	Nil
Non-receipt of Share Certificates	Nil	Nil
SEBI/Stock Exchange Letter/ROC	2	2
Miscellaneous	Nil	Nil
<b>Total</b>	<b>2</b>	<b>2</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 nomination and remuneration committee meetings were held on 4<sup>th</sup> May, 2018 and 12<sup>th</sup> February, 2019. The link of Nomination and Remuneration policy is <http://www.dacl.co.in/investors/Remuneration%20policy%20DACL.pdf>

### Details of remuneration paid to the Executive Director (s) for the financial year 2018 – 2019.

(₹ In Lakhs)

Name of Director	Designation	Salary & Allowance	Perquisite	Commission	Total
Mr. G. S. Venkatachalam	Executive Director	36.66	0.98	6.00	43.64

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

The remuneration paid/payable to non-executive Directors for the year from 01.04.2018 to 31.03.2019 is as under:

(₹ in lakhs)

Name	Remuneration	Sitting Fee	Commission	Total
Mr. Yogesh Kothari	Nil	0.86	5.58	6.44
Mr. Amit Mehta	Nil	0.96	5.58	6.54
Mr. Kirat Patel	Nil	2.50	2.32	4.82
Mr. Rajendra Chhabra	Nil	2.36	2.32	4.68
Dr. Ambrish Dalal	Nil	1.00	0.93	1.93
Mr. Dhruv Kaji (upto 11.02.2019)	Nil	0.40	0.00	0.40
Mr. Shreyas Mehta	Nil	0.20	0.93	1.13
Mrs. Kejal Pandya (w.e.f. 27.04.2018)	Nil	1.20	0.93	2.13

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

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

Sr. No.	Name	No. of Equity Shares Held
01.	Mr. Yogesh Kothari	2,05,393
02.	Mr. Amit M. Mehta	8,62,099
03.	Mr. Kirat Patel	10,800
04.	Mr. Rajendra Chhabra	7,800
05.	Dr. Ambrish Dalal	200
06.	Mr. Dhruv Kaji*	300
07.	Mr. Shreyas Mehta	9,000
08.	Mrs. Kejal Pandya**	0

\*Mr. Dhruv Kaji, Non-Executive Independent Director resigned from the Board of the Company with effect from 12<sup>th</sup> February, 2019.

\*\*Mrs. Kejal Pandya is appointed as Non-Executive Independent 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 2018-2019 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/investors/CSR.pdf>

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 42 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 Ind As-108 applicable to the Company is given in note No.41.

**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 Executive Director and CFO in terms of Regulation 33(2) (a) of SEBI (LODR) Regulations, 2015 was placed before the Board Meeting held on May 17, 2019 to approve the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2019.

**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 at [http://www.dacl.co.in/investors/RPT\\_Policy.pdf](http://www.dacl.co.in/investors/RPT_Policy.pdf)

### 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) (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	August 02, 2019 to August 09, 2019 (both days inclusive)
2. Date, Time and Venue of the 43 <sup>rd</sup> Annual General Meeting	August 09, 2019 at 12.00 Noon at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346.
3. Listing on Stock Exchanges	BSE Ltd., Floor 25, P.J Towers, Dalal Street, Mumbai 400 001. Tel: 022-2272 1233 / 34. Fax: 022-2272 2082 / 3132. (Scrip code: 500120)
4. Listing Fees	Paid to the above Stock Exchange for the Financial Year 2018 – 2019.
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. Following are the details for the Shareholders:  <b><u>Branch Address:</u></b> <b>M/s. MCS Share Transfer Agent Ltd. (up to 30.09.2019)*</b> 88, Neelam Apt, Above Chappan Bhog, Sampatrao Colony, Alkapuri, Vadodara – 390 007 Tel No : 0265-2339397 Fax : 0265 – 2341639 Email : <a href="mailto:mcsltsbaroda@gmail.com">mcsltsbaroda@gmail.com</a>  <b>M/s Link Intime India Pvt. Ltd. (w.e.f. 01.10.2019)*</b> B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020 Gujarat, India. Tel. No. : +91 265 2356573, +91 265 2356794 E-mail : <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a> *The Board has approved to change RTA subject to approval by the Members in the AGM

**Diamines And Chemicals Limited**

CIN NO:L24110GJ1976PLC002905



7. International Securities Identification Number (ISIN)	INE 591D01014
8. Compliance Officer	Ms. Hemaxi Pawar 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.	42 <sup>nd</sup> A.G.M.-6 <sup>th</sup> August, 2018 at 12.00 noon held at the Registered office of the Company 41 <sup>st</sup> A.G.M.-20 <sup>th</sup> July, 2017 at 12.00 noon held at the Registered office of the Company 40 <sup>th</sup> A.G.M.-19 <sup>th</sup> September, 2016 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.	42 <sup>nd</sup> A.G.M. - 1 Special Resolutions was passed 41 <sup>st</sup> A.G.M. – NIL 40 <sup>th</sup> A.G.M. – 2 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, 2019. Bombay Stock Exchange (BSE)	₹120.30/-
12. Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March each year.
13. Dividend declared for current and earlier years	2018-19 : 30% (Interim) 2017-18 : 25% 2016 -17 : 15% 2015-16: 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, 2018	113.40	83.25
2	May, 2018	110.00	85.60
3	June, 2018	97.00	80.15
4	July, 2018	92.90	80.55
5	August, 2018	188.90	88.00
6	September, 2018	215.95	157.20
7	October, 2018	187.15	132.75
8	November, 2018	151.00	125.45
9	December, 2018	139.50	124.00
10	January, 2019	153.20	123.00
11	February, 2019	129.90	77.80
12	March, 2019	126.50	94.00

**DISTRIBUTION OF SHAREHOLDING: (as on 31<sup>st</sup> March, 2019)**

Shareholding of nominal value			Shareholders		Share Amount	
₹	(1)	₹	Number(2)	% of total (3)	₹ (4)	% of total(5)
Upto	-	500	8498	91.25	9449400	9.66
501	-	1,000	416	4.47	3244060	3.32
1,001	-	2,000	186	2.00	2786160	2.85
2,001	-	3,000	72	0.77	1815230	1.85
3,001	-	4,000	26	0.28	941610	0.96
4,001	-	5000	26	0.28	1192040	1.22
5,001	-	10,000	41	0.44	3030840	3.10
10,001	-	50,000	33	0.35	7852960	8.03
50001	-	100,000	4	0.04	2671410	2.73
Above	-	100000	11	0.12	64848690	66.28
<b>TOTAL</b>			9313	100.00	97832400	100.00

**SHAREHOLDING PATTERN: (as on 31<sup>st</sup> March, 2019)**

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	0.04
3	Central Govt/State Govt/POI	68291	0.70
4	Other Corporate Bodies/HUF	354546	3.62
5	Public	2907881	29.72
6	NRI's	70108	0.72
7	Any Other	0	0
<b>TOTAL</b>		9783240	100.00%

**DEMATERIALISATION OF SHARES: (as on 31<sup>st</sup> March, 2019)**

Particulars	No. of Equity Shares	% to Share Capital
NSDL	85,62,271	87.52%
CDSL	9,03,075	9.23%
Physical	3,17,894	3.25%
<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.

**The names of the listed entities where the person is a director and the category of directorship**

Director Name	Details as on March 31, 2019 (Excluding Diamines and Chemicals Limited)	
	Name of listed entities where the person is a director	Category of Directorship
Mr. Yogesh Kothari	Alkyl Amines Chemicals Ltd.	Chairman & Managing Director
Mr. Amit Mehta	Sadhnana Nitro Chem Ltd.	Director
Mr. Kirat Patel	Alkyl Amines Chemicals Ltd.	Executive Director
	Kaira Can Company Ltd.	Director
Mr. Rajendra Chhabra	-	-
Mr. G.S.Venkatachalam	-	-
Dr. Ambrish Dalal	-	-
Mr. Shreyas Mehta	Specular Marketing & Financing Ltd.	Director
Mrs. Kejal Pandya	-	-

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes.
Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks, and a board perspective on global market opportunities.
Leadership	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.
Board Service and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation

Confirmation that in the opinion of the board that the independent directors fulfill the conditions specified in LODR regulations and are independent of the management.

Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided- Mr. Dhruv Kaji, Non-Executive Independent Director of the Company resigned from the Board w.e.f. February 12, 2019 before the expiry of his tenure. The reason for his resignation is that he has been appointed as a Director on Boards of number of Companies and he was facing problems of clashing meeting dates as well as lack of time to do justice to his role in the Company. The Board confirmed that there is no other material reason other than provided by him.

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad- Not Applicable

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). – Not Applicable

A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is attached herewith as “**Annexure H**”.

The Company has paid fees for all services on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

**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 and also adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information under SEBI (Prohibition of Insider Trading) (Amendments) Regulations, 2018.

As required by Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, 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 [www.dacl.co.in](http://www.dacl.co.in)

**FOR DIAMINES AND CHEMICALS LTD**

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

Place : Mumbai  
Date : May 17, 2019

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## **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. 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, 2019, 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 General Manager cadre as on 31<sup>st</sup> March, 2019.

For Diamines and Chemicals Limited

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

Place : Mumbai  
Date : May 17, 2019





**Diamines And Chemicals Limited**

CIN NO:L24110GJ1976PLC002905

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, 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 on 31<sup>st</sup> March, 2019. 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 para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, except as reported by the Secretarial Auditor in his respective report.

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

**SD/-**  
**Sandip Sheth**  
*Partner*

Place : Ahmedabad  
Date : 17th May 2019

FCS No: 5467  
COP No.:4354

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Diamines and Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<b>Litigations and claims</b> (Refer to note 38(c) to the financial statements) The cases are pending with multiple tax authorities like Income Tax, Excise/Service Tax, Provident Fund Authority and Directorate General of Foreign Trade etc. and there are claims from customers which have not been acknowledged as debt by the company. In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not	<b>Our audit procedures, inter alia, included the following:</b> <ul style="list-style-type: none"> <li>Evaluation of management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Third party opinions, past and current experience with the tax authorities and management's response on the subject matter were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability.</li> </ul>

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	<p>acknowledged as debt by the company. Whether a claim needs to be recognised as liability or disclosed as contingent liability in the financial statements is dependent on number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the financial statements, is inherently subjective.</p> <p>We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these matters and application of material judgement in interpretation of law.</p>	<ul style="list-style-type: none"> <li>Understanding the current status of the tax assessments &amp; other litigations and discussing selected matters with the entity's management.</li> <li>Critically assessing the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements.</li> <li>Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation.</li> </ul> <p><b>Conclusion:</b></p> <p>Based on procedure described above, we did not identify any material exceptions relating to management's assertions, and treatment, presentation and disclosure of the subject matter in the financial statements.</p>
2.	<p><b>Reasonableness of carrying value of EDC Plant and its related machineries and equipment ("EDC Plant"), included in Property, Plant and Equipment</b></p> <p>(Refer to note 5A(ii) to the financial statements)</p> <p>There is a risk in respect of impairment of EDC Plant that has remained idle for considerable period of time. According to the information furnished to us, company has devised sound and viable plans for developing and manufacturing, new products using EDC plant through intense research carried out by company's Research &amp; Development Department. Based on future cash flows expected to be derived from use of the said plant, the management does not anticipate any impairment in the carrying value of EDC plant.</p> <p>We have considered this as a Key Audit Matter as it requires significant management judgement, including accounting estimates that involve high estimation uncertainty.</p>	<p>Our audit procedures, inter alia, included the following:</p> <ul style="list-style-type: none"> <li>Examination of the company's future plans as approved by the Board of directors that envisages effective use of the EDC Plant and generation of revenues from its usage; and</li> <li>Analysed and evaluated the recoverable amount, which in the company's case, is Value in Use (i.e. Present value of expected future cash flows) of the EDC plant, based on projected financials for next 5 years from the date it is proposed to be put to use, with reasonable assumptions and compared the same with carrying value of the EDC plant.</li> <li>Analysed the management's judgements and estimates and tested the arithmetic validity of the impairment testing.</li> </ul> <p><b>Conclusion:</b></p> <p>Based on procedure described above, we did not identify any material exceptions to the management's assertions with regard to carrying value of EDC plant in financial statements.</p>
3.	<p><b>Application of New Indian Accounting Standard</b></p> <p>(Refer to note 35 to the financial statements)</p> <p>The application of the new revenue accounting standard (Ind AS-115) "Revenue from Contracts</p>	<p>Our audit procedures, inter alia, included the following:</p> <p>We have assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted</p>

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	<p>with Customers" involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, identification and measurement of variable considerations and the appropriateness of the basis used to measure revenue.</p> <p>Compliance with new standard requires accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances and hence the adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) is considered a key audit matter.</p>	<p>testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>Reviewed financial reporting controls relating to implementation of the new revenue accounting standard, relating to identification of the distinct performance obligations, variable considerations, determination and allocation of transaction price.</li> <li>Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>Compared these performance obligations with those identified and recorded by the Company.</li> <li>Considered the terms of the contracts to determine the transaction price including any variable considerations to verify the transaction price used to compute revenue and to test the basis of estimation including constraining estimates of the variable considerations.</li> <li>Reviewed disclosures included in the notes to the accompanying financial statements.</li> </ul> </li> </ul> <p><b>Conclusion:</b></p> <p>Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure in the financial statements relating to company's revenues from contracts with customers in financial statements.</p>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance Report and Shareholder's Information but does not include the financial statements and our auditor's report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances & the applicable laws and regulations.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

The comparative financial information included in these financial statements, are based on the previously issued financial statements for the year ended 31<sup>st</sup> March, 2018 which were audited by the predecessor auditors who, vide their report dated 04<sup>th</sup> May, 2018, expressed an unmodified opinion. Our Opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
  - e. on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38(c) to the financial statements;
  - ii. the Company did not have any long-term contracts including derivative contracts, as at 31<sup>st</sup> March, 2019 for which there were any material foreseeable losses; and
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For K. C. Mehta & Co.**

Chartered Accountants  
Firm's Registration No.106237W

**Vishal P. Doshi**

Partner  
Membership No. 101533

Place : Vadodara  
Date : 17<sup>th</sup> May, 2019

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

The annexure referred to in our Independent Auditor's Report to the members of **Diamines and Chemicals Limited** ("the Company") on the financial statements for the year ended 31<sup>st</sup> March, 2019, we report that:

- i. (a) According to the information and explanations given to us, the Company is in the process of updating fixed assets records to show full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (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 are held in the name of the Company, as on date of this report, except for the following: **(₹ in lakhs)**

<b>Category of Assets</b>	<b>Total No. of cases</b>	<b>Lease hold/ Free hold</b>	<b>Gross Block as at 31<sup>st</sup> March, 2019</b>	<b>Net Block as at 31<sup>st</sup> March, 2019</b>	<b>Remarks</b>
Building	1	Free hold	9.49	5.00	Located at Ahmedabad

- ii. During the year, the inventories have been physically verified by the management. In our opinion the frequency of verification is reasonable. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
- 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 Companies Act, 2013 and therefore, reporting under clause (iii) (a) to clause (iii) (c) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans, made any investments, or provided any guarantees or security to which provisions of section 185 and 186 of the Act apply and therefore, reporting under clause (iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Act, and the rules framed thereunder or under the directives issued by the Reserve Bank of India and therefore, reporting under clause (v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records and accounts 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 and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues were in arrears, as at 31<sup>st</sup> March, 2019 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 our examination of the records of the Company, there are no disputed dues in respect of Sales tax, goods and service tax and value added tax which have not been deposited. According to the information and explanations given to us, the following are the particulars of Income tax, Service tax, duty of customs and duty of excise as at 31<sup>st</sup> March, 2019 which have not been deposited on account of dispute:

<b>Name of the statute (Nature of disputed dues)</b>	<b>Amount (₹ in lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where pending</b>
Income Tax Act, 1961 (Income Tax)	160.35	A.Y 2009-10	Gujarat High Court
Income Tax Act, 1961 (Income Tax)	74.24	A.Y 2010-11	Income-tax Appellate Tribunal – Ahmedabad
Income Tax Act, 1961 (Income Tax)	11.97	A.Y 2013-14	Income-tax Appellate Tribunal – Ahmedabad
Income Tax Act, 1961 (Income Tax)	31.00	A.Y 2014-15	Income-tax Appellate Tribunal – Ahmedabad
Income Tax Act, 1961 (Income Tax)	5.64	A.Y 2016-17	Commissioner of Income-Tax (Appeals), Vadodara
Finance Act, 1994 (Service tax/Excise)	74.00	F.Y. 2004-05 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Ahmedabad.
Finance Act, 1994 (Service tax/Excise)	3.71	F.Y. 2011-12 to 2016-17	Superintendent - Central Excise, Customs and Service Tax, Vadodara-I
The Foreign Trade (Development and Regulation) Act, 1992	6.71	F.Y. 1993-94 to 1997-98	Jt. Director General of Foreign Trade, Vadodara.
The Foreign Trade (Development and Regulation) Act, 1992	46.94	F.Y. 1993-94 to 1997-98	Additional Director General of Foreign Trade, Ahmedabad.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The company has not taken any loans from financial institution or Government. It has not issued any debentures.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year and therefore, reporting under clause (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, 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. In our opinion, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.

- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (Ind AS).
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him and therefore, reporting under clause(xv) of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For K. C. Mehta & Co.**  
Chartered Accountants  
Firm's Registration No.106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533

Place : Vadodara  
Date : 17<sup>th</sup> May, 2019

## **ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Diamines and Chemicals Limited** on the financial statements of even date)

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.**

We have audited the internal financial controls with reference to financial statements of **Diamines and Chemicals Limited** (“the Company”) as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the, “Guidance note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2019, 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 Institute of Chartered Accountants of India.

**For K. C. Mehta & Co.**  
Chartered Accountants  
Firm's Registration No.106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533

Place : Vadodara  
Date : 17<sup>th</sup> May, 2019

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	5A	2,443.07	2,413.87
(b) Capital work-in-progress		78.77	51.55
(c) Intangible assets	5B	1.84	-
(d) Financial Assets			
(i) Investments	6	25.33	66.45
(ii) Others	7	14.60	9.97
(e) Other non-current assets	8	142.15	136.14
<b>Total Non-Current Assets</b>		<b>2,705.76</b>	<b>2,677.98</b>
<b>(2) Current Assets</b>			
(a) Inventories	9	932.38	673.49
(b) Financial Assets			
(i) Trade receivables	10	764.89	790.06
(ii) Cash and cash equivalents	11	0.20	48.08
(iii) Other bank balances	12	1,720.64	1,030.08
(iv) Others	13	-	10.25
(c) Current Tax Assets (Net)	14	4.97	-
(d) Other current assets	15	64.51	34.85
<b>Total Current Assets</b>		<b>3,487.59</b>	<b>2,586.81</b>
<b>TOTAL ASSETS</b>		<b>6,193.35</b>	<b>5,264.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	16	978.32	978.32
(b) Other Equity	17	3,902.71	3,282.66
<b>Total Equity</b>		<b>4,881.03</b>	<b>4,260.98</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Provisions	18	46.07	33.28
(b) Deferred Tax Liabilities (Net)	19	420.45	394.98
<b>Total Non-Current Liabilities</b>		<b>466.52</b>	<b>428.26</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	198.61	-
(ii) Trade payables	21		
(A) due to micro enterprises and small enterprises		16.86	-
(B) due to other than micro enterprises and small enterprises		388.68	364.77
(iii) Other financial liabilities	22	166.98	94.30
(b) Other current liabilities	23	35.86	20.80
(c) Provisions	24	38.81	52.90
(d) Current Tax Liabilities (Net)	25	-	42.78
<b>Total Current Liabilities</b>		<b>845.80</b>	<b>575.55</b>
<b>Total Liabilities</b>		<b>1,312.32</b>	<b>1,003.81</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,193.35</b>	<b>5,264.79</b>

**Significant Accounting Policies and Notes to Financial Statements**

1-47

As per our report of even date attached

For and on behalf of the Board

For K. C. Mehta & Co.

Chartered Accountants

**YOGESH KOTHARI**

Chairman

DIN : 00010015

**G.S.VENKATACHALAM**

Executive Director

DIN : 02205898

**HEMAXI PAWAR**

Company Secretary

**AMIT MEHTA**

Vice Chairman

DIN : 00073907

**DIPEN RUPARELIA**

Chief Financial Officer

Place : Mumbai

Date : 17th May, 2019

**Vishal P. Doshi**

Partner

Membership No.101533

Place : Vadodara

Date : 17th May, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019****(₹ in Lakhs)**

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
I Revenue from Operations	26	4,731.63	3,956.00
II Other Income	27	96.48	45.11
III Total income (I+II)		4,828.11	4,001.11
IV EXPENSES			
Cost of materials consumed	28	1,527.88	1,278.49
Changes in inventories of finished goods and work-in-progress	29	(234.72)	168.85
Excise Duty		-	105.41
Employee benefits expense	30	441.34	373.61
Finance costs	31	7.06	31.98
Depreciation and Amortisation expense	5A&5B	200.64	194.81
Other expenses	32	1,104.00	871.51
Total expenses (IV)		3,046.20	3,024.66
V Profit before exceptional items and tax (III-IV)		1,781.91	976.45
VI Exceptional items	33	-	152.52
VII Profit before tax (V-VI)		1,781.91	823.93
VIII Tax expense:	36		
(a) Current Tax		447.20	216.55
(b) Tax relating to Earlier Years		(6.41)	-
(c) Deferred Tax		27.94	(101.52)
IX Profit for the year (VII-VIII)		1,313.18	708.90
X Other Comprehensive Income (OCI)			
A. Items that will not be reclassified subsequently to profit or loss :			
(i) Remeasurement gain/(loss) on the Defined Benefit Plans		(8.49)	(3.17)
(ii) Gain/(Loss) on measuring equity instruments at Fair Value carried through Other Comprehensive Income (FVTOCI)		(41.12)	(26.60)
(iii) Income tax on (i) above		2.47	0.88
B. Items that will be reclassified subsequently to profit or loss :		-	-
XI Total Comprehensive Income for the year (IX+X)		1,266.04	680.01
XII Earnings per equity share			
Basic & Diluted	37	13.42	7.25
Significant Accounting Policies and Notes to Financial Statements	1-47		

As per our report of even date attached

For K. C. Mehta &amp; Co.

Chartered Accountants

Vishal P. Doshi

Partner

Membership No.101533

Place : Vadodara

Date : 17th May, 2019

For and on behalf of the Board

YOGESH KOTHARI

Chairman

DIN : 00010015

G.S.VENKATACHALAM

Executive Director

DIN : 02205898

HEMAXI PAWAR

Company Secretary

AMIT MEHTA

Vice Chairman

DIN : 00073907

DIPEN RUPARELIA

Chief Financial Officer

Place : Mumbai

Date : 17th May, 2019

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	1,781.91	823.93
<b>Adjustments for:</b>		
Depreciation/Amortisation/Impairment of Property, Plant and Equipment	204.54	194.81
Dividend Income	(0.09)	(0.22)
Interest Income	(88.29)	(25.50)
Finance Costs	9.53	31.98
(Profit) / Loss on Property, Plant and Equipment Sold	(0.93)	152.52
Unrealised Loss on Foreign Exchange	4.34	(7.69)
Provision for Doubtful Receivables/Advances/Sundry balances written off	2.76	-
Provision/Advances/Sundry Balances written back	(0.26)	-
Provision for impairment in value of Inventories	4.14	-
Excess provision written back	(8.34)	-
<b>Operating Profit/(Loss) before changes in working capital</b>	<b>1,909.31</b>	<b>1,169.83</b>
<b>Adjustment for Changes in Working Capital</b>		
Trade Receivables	25.16	34.57
Inventories	(258.89)	94.44
Financial Assets and Other Assets	(19.41)	20.06
Trade Payables	40.77	175.13
Other Financial Liabilities	44.59	(327.72)
Other Liabilities and provisions	(26.13)	29.95
Long-term Loans and Advances and Other Non-current Assets	(135.43)	(16.04)
<b>Cash flow from operations after changes in working capital</b>	<b>1,579.97</b>	<b>1,180.22</b>
Income-tax paid	(330.33)	(187.84)
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>1,249.64</b>	<b>992.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	88.29	25.50
Dividend Received	0.09	0.22
Purchase of Property, Plant and Equipment, Intangible assets & CWIP	(264.23)	(94.75)
Sale of Property, Plant and Equipment	2.35	752.44
Bank Balances not considered as Cash and Cash Equivalents	(677.86)	(974.58)
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>(851.36)</b>	<b>(291.17)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Costs	(9.53)	(31.98)
Dividend Paid (Including Dividend Distribution Tax)	(645.99)	(176.62)
Repayment of Non-current Borrowings	-	(102.50)
Increase / (Decrease) in Current Borrowings	198.61	(343.13)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>(456.91)</b>	<b>(654.23)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(58.63)</b>	<b>46.98</b>
Cash & Cash Equivalents at beginning of period (see Note 1)	58.83	11.85
<b>Cash and Cash Equivalents at end of period (see Note 1)</b>	<b>0.20</b>	<b>58.83</b>

**Diamines And Chemicals Limited**

CIN NO:L24110GJ1976PLC002905

**(₹ in Lakhs)**

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
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**Notes:****1 Cash and Cash equivalents comprise of:**

Cash on hand	0.20	0.38
Balance with Banks	-	58.45
<b>Cash and Cash equivalents</b>	<b>0.20</b>	<b>58.83</b>

- 2 Figures of the previous year have been regrouped / reclassified wherever necessary.

As per our report of even date attached

For K. C. Mehta &amp; Co.

Chartered Accountants

Vishal P. Doshi

Partner

Membership No.101533

Place : Vadodara

Date : 17th May, 2019

For and on behalf of the Board

YOGESH KOTHARI

Chairman

DIN : 00010015

G.S.VENKATACHALAM

Executive Director

DIN : 02205898

HEMAXI PAWAR

Company Secretary

AMIT MEHTA

Vice Chairman

DIN : 00073907

DIPEN RUPARELIA

Chief Financial Officer

Place : Mumbai

Date : 17th May, 2019



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**A. Equity Share Capital** (₹ in Lakhs)

Particulars	Amount
Balance as at 1 <sup>st</sup> April, 2017	978.32
Additions/(Reductions)	-
Balance as at 31 <sup>st</sup> March, 2018	978.32
<b>Balance as at 1<sup>st</sup> April, 2018</b>	<b>978.32</b>
Additions/(Reductions)	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>978.32</b>

**B. Other Equity** (₹ in Lakhs)

Particulars	Reserves & Surplus		Equity Instrument carried through OCI	Total
	General Reserve	Retained Earnings		
<b>Balance as at 1<sup>st</sup> April, 2017</b>	517.12	2,176.96	85.18	2,779.26
<b>Movement during the year:</b>				
Profit for the year		708.90		708.90
Other Comprehensive Income for the year, net of income tax		(2.28)		(2.28)
Net fair value gain/(loss) on investment in equity instrument carried through OCI		-	(26.60)	(26.60)
Payment of Dividend (Interim and Final)		(146.75)		(146.75)
Tax on Dividend (Interim and Final)		(29.87)		(29.87)
Balance as at 31 <sup>st</sup> March, 2018	517.12	2,706.96	58.58	3,282.66
<b>Balance as at 1<sup>st</sup> April, 2018</b>	<b>517.12</b>	<b>2,706.96</b>	<b>58.58</b>	<b>3,282.66</b>
<b>Movement during the year:</b>				
Profit for the period		1,313.18		1,313.18
Other Comprehensive Income for the year, net of income tax		(6.02)		(6.02)
Net fair value gain/(loss) on investment in equity instrument carried through OCI		-	(41.12)	(41.12)
Payment of Dividend (Interim and Final)		(538.08)		(538.08)
Tax on Dividend (Interim and Final)		(107.91)		(107.91)
<b>Balances as at 31<sup>st</sup> March, 2019</b>	<b>517.12</b>	<b>3,368.13</b>	<b>17.46</b>	<b>3,902.71</b>

**Significant Accounting Policies and Notes to Financial Statements**

1-47

As per our report of even date attached  
For K. C. Mehta & Co.  
Chartered Accountants

Vishal P. Doshi  
Partner  
Membership No.101533

Place : Vadodara  
Date : 17th May, 2019

For and on behalf of the Board

YOGESH KOTHARI  
Chairman  
DIN : 00010015

G.S.VENKATACHALAM  
Executive Director  
DIN : 02205898

HEMAXI PAWAR  
Company Secretary

AMIT MEHTA  
Vice Chairman  
DIN : 00073907

DIPEN RUPARELIA  
Chief Financial Officer

Place : Mumbai  
Date : 17th May, 2019

**NOTES TO THE FINANCIAL STATEMENTS****1. Corporate Information**

Diamines and Chemicals Limited ("the Company") is a domestic public limited company incorporated and domiciled in India and has its registered office at Plot No. 13, New IPCL Rd, PCC Area, Vadodara, Gujarat. The Company's shares are listed and traded on the Bombay Stock Exchange Ltd. (BSE). The company is engaged in business of manufacturing and marketing of organic chemicals compounds and Power Generation.

**2. Recent accounting pronouncements****Application of New Indian Accounting Standards**

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the new Ind AS and certain amendments to existing Ind ASs. They shall come into force on 1<sup>st</sup> April, 2019 and therefore, the company shall apply the same with effect from that date.

**(a) New Indian Accounting Standard (Ind AS 116) "Leases":**

Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" w.e.f. April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as prescribed in Ind AS 17. The effect on the Financial statements on adoption of Ind AS 116 is being evaluated by the Company.

**(b) Other Amendments:**

Several other Indian Accounting Standards have been amended on various issues with effect from April 1, 2019. The following amendments are relevant to the company:

- (i) Ind AS 12 "Income Taxes"- Income tax consequences of dividend and uncertainty over income tax treatments;
- (ii) Ind AS 19 "Employee Benefits"- Accounting for plan amendment, curtailment or settlement;
- (iii) Ind AS 109 "Financial Instruments"- Measurement of prepayment features with negative compensation in case of debt instruments;

None of these amendments are expected to have any material effect on the Company's financial statements.

**3. Significant Accounting Policies****i) Statement of Compliance**

These Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

**ii) Basis of Preparation**

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

- Certain financial assets and liabilities that are measured at fair value; and
- Defined benefit plans where plan assets are measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All values are rounded off to the nearest two decimal lakhs, unless otherwise indicated.

### **Fair Value Measurement**

Fair value is 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 under current market conditions.

The Company categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (i) Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2: inputs are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (iii) Level 3: inputs are unobservable for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### **iii) Property, Plant and Equipment**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any.

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation and accumulated impairment losses, if any; until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

Capital work in progress includes the cost of PPE that are not yet ready for the intended use.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

As per internal technical evaluation carried out by the management, the management of the company believes that its Property, Plant & Equipment are of such nature that separate components are not distinctly identifiable having different useful life. And therefore, Component level accounting and reporting is not practically feasible for the company.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of Property, Plant and Equipment (other than land) less their estimated residual value, using the straight-line method over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on internal technical evaluation. The management believes that the useful lives as assessed best represent the period over which management expects to use these assets.

Useful lives of following class of PPE are as prescribed under Part C of Schedule II to the Companies Act, 2013, which are as under:-

<b>Asset Description</b>	<b>Assets Useful life (in Years)</b>
Factory Building	30
Building other than Factory Building	60
R & D Equipments	10
Office Equipments	5
Computers	3
Server	10
Road	5
Furniture and Fixtures	10
Vehicle	8

Useful lives of following class of PPE are based on internal technical evaluation carried out by the Company which is as under:-

<b>Asset Description</b>	<b>Assets Useful life (in Years)</b>
Plant & Machinery	20
Plant & Machinery (Tank)	25
Wind Electric Generators	22

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

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

Freehold land is not depreciated.

#### **iv) Intangible Assets**

Intangible assets with finite useful life acquired separately, are recognised only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized over the estimated period of benefit, not exceeding ten years.

Intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets are amortised on Straight Line Method from the date they are available for use, over the useful lives of the assets as estimated by the Management as under:

Asset Description	Assets Useful life (in Years)
Software & Licenses	3

**v) Impairment of non-financial assets**

The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit & Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing 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.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognised earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates which has the effect of increasing the asset's recoverable amount since the previous impairment loss was recognised. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that has been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognised in the Statement of Profit and Loss.

**vi) Inventories**

Inventories are valued at lower of cost and net realisable value after providing for impairment and other losses, where considered necessary. The basis of determining the value of each class of inventory is as follows:

Inventories	Cost Formulae
Raw Material, packing materials, fuels and stores and spares	At first-in-first out basis (Net of eligible credit)
Raw Material in Transit	At invoice price
Work-in-progress	At Cost, comprising of raw material cost, labour cost and appropriate proportion of manufacturing expenses and overheads based on stage of completion.
Finished Goods	At Cost, comprising of raw material cost, labour cost and appropriate proportion of manufacturing expenses and overheads.
Scrap	At lower of Cost or Net Realisable Value

**vii) Revenue Recognition**

The Company has applied Ind AS 115 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind

AS 18 and Ind AS 11. The new Standard is applied to those contracts which remained in force as at 1<sup>st</sup> April, 2018. The application of the standard does not have any significant impact on the retained earnings as at 1<sup>st</sup> April, 2018 or on these financial statements. The details of accounting policies under erstwhile Ind AS 18 and Ind AS 11 are disclosed separately, if they are different from those under Ind AS 115.

Revenues from sale of goods including power units or services are recognised upon transfer of control of the goods or services to the customer in an amount that reflects the consideration which the company expects to receive in exchange for those goods or services.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration & customer's right to return the goods and the same represents amounts receivable for goods and services provided in the normal course of business. Revenue also excludes taxes collected from customers. Any retrospective revision in prices is accounted for in the year of such revision.

Revenue is recognised at a point in time on accrual basis as per the terms of the contract, when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

When sales discount and rebate arrangements result in variable consideration, appropriate estimates are made and estimated variable consideration is recognised as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not be required). The Company typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

The contract asset or a contract liability is recognised when either party to a contract has performed, depending on the relationship between the entity's performance and the customer's payment. When the company has a present unconditional rights to consideration, it is recognised separately as a receivable.

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income is recognised when the right to receive the same is established.

Export incentives (Duty Drawback Scheme benefits) are accrued in the year when the right to receive the same is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/utilization of such benefits/duty credit.

Other income is recognised on accrual basis except when realization of such income is uncertain.

#### **viii) Foreign Exchange Transactions**

Transactions in currencies other than the Company's functional currency (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 using exchange rate prevailing on the last day of the reporting period.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

#### **ix) Leases**

The determination of whether the arrangement is, or contains a lease, is based on the substance of the arrangement at the inception date. A lease is classified as finance lease or operating lease.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss.

The assets taken on finance lease are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability if any is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on outstanding liability for each period.

**x) Employees Benefits**

**Post Employment Benefit**

**(i) Defined Contribution Plan**

The company's contribution to defined contribution plan paid/payable for the year is charged to the Statement of Profit and loss.

**(ii) Defined Benefit Plan**

The liabilities towards defined benefit schemes are determined using the Projected Unit Credit method. Actuarial valuation under the Projected Unit Credit method are carried out at the balance sheet date. Remeasurement gains/losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income (OCI). These gains/losses which are recognised in OCI are reflected in retained earnings and are not reclassified to Profit or Loss. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by plan assets.

**(iii) Short Term Employee Benefits**

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salaries, wages, bonus, performance incentives, etc.

**(iv) Other Long Term Employee Benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date, using Projected Unit Credit method.

**xi) Borrowing Costs**

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of qualifying assets is added to the cost of the assets upto the date the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

**xii) Statement of Cash Flow**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating

cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

**xiii) Income Taxes**

Income tax expense represents the sum of the current tax and deferred tax.

**(i) 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 tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

**(ii) 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 utilized.

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 taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

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 realized, 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.

**(iii) Current and Deferred Tax Expense for the Year**

Current and deferred tax expense is recognised in the Statement of Profit and 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.

**xiv) 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 ("FVTOCI") 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 FVTOCI, 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 FVTOCI.

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.

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

The Company recognises loss allowance using expected credit loss model for financial assets which are measured at amortised cost. 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. The company follows 'simplified approach' for recognition of impairment loss allowance on the group of financial assets.

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 right to receive 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.

**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 at amortised cost:**

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.

**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 derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises 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.

**xv) 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.

**xvi) 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 Making Body (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.

**xvii) Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax with the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, with the aggregate of weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**xviii) Dividend**

Provision is made in the accounts for the amount of any final dividend declared on the date of its approval by the shareholders. Interim dividends, if any, are recorded as a liability on the date of its declaration by the company's board of directors.

**xix) 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 & Equipment/Intangible Assets.

**xx) Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognised when, based on Company's present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties

surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**Contingent Liabilities and Assets**

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

**4. Critical Accounting Judgments, Estimates, Assumptions and Key Sources of Estimation Uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Key estimates, assumptions and judgements**

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

**(i) 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.

**(ii) Useful lives of Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ 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.

**(iii) Contingent Liabilities**

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

**(iv) Evaluation of Indicators for Impairment of Property, Plant and Equipment**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance

of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by Company.

**(v) Actuarial Valuation**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the income statement and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

**(vi) Allowance for impairment of trade receivables**

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectable on the assessment of the underlying facts and circumstances.

**(vii) 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.

**(viii) Revenue Recognition**

The Company's contracts with customers include promises to transfer products and power units to the customers. The Company assesses the products and power units promised in a contract and identifies distinct performance obligations, if any, in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgement is also required to determine the transaction price for the contract. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over time. The Company considers indicators such as to who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. The judgment is also exercised in determining the variable consideration, if any, involved in transaction price and also in estimating the impact of customer's right to return the goods, based on prior experience. The company has exercised judgments and concluded that it has only one performance obligation from each of its contract with customers and it is being satisfied at a point in time.

**NOTES TO THE FINANCIAL STATEMENTS**
**5A. Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	R & D Equipments	Wind Electric Generators	Furniture and Fixtures	Office Equipments	Vehicles	Server	Computers	Road	Total
<b>Gross Block</b>													
As at 1 <sup>st</sup> April, 2017	31.54	189.99	138.18	1,515.20	36.48	744.33	17.34	8.26	47.21	7.22	3.41	-	2,739.16
Additions	-	-	-	62.67	-	-	0.33	0.22	-	-	0.94	-	64.16
Deductions/Adjustments	-	-	-	-	-	-	1.34	-	-	-	-	-	1.34
<b>As at 31<sup>st</sup> March, 2018</b>	<b>31.54</b>	<b>189.99</b>	<b>138.18</b>	<b>1,577.87</b>	<b>36.48</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>-</b>	<b>2,801.98</b>
<b>Additions</b>	<b>-</b>	<b>-</b>	<b>34.87</b>	<b>94.17</b>	<b>31.61</b>	<b>-</b>	<b>35.33</b>	<b>8.58</b>	<b>-</b>	<b>2.57</b>	<b>26.63</b>	<b>1.42</b>	<b>235.18</b>
<b>Deductions/Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.37</b>	<b>-</b>	<b>20.86</b>	<b>-</b>	<b>28.16</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>31.54</b>	<b>189.99</b>	<b>173.05</b>	<b>1,665.11</b>	<b>68.09</b>	<b>744.33</b>	<b>51.66</b>	<b>17.06</b>	<b>46.84</b>	<b>9.79</b>	<b>10.12</b>	<b>1.42</b>	<b>3,009.00</b>
<b>Accumulated Depreciation</b>													
As at 1 <sup>st</sup> April, 2017	-	3.28	7.72	84.90	20.91	55.93	1.88	1.71	15.80	1.67	0.79	-	194.59
Charge for the year	-	3.28	7.72	104.14	3.20	55.93	1.93	1.42	15.59	1.49	0.11	-	194.81
Deductions/Adjustments	-	-	-	-	-	-	1.29	-	-	-	-	-	1.29
<b>As at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>6.56</b>	<b>15.44</b>	<b>189.04</b>	<b>24.11</b>	<b>111.86</b>	<b>2.52</b>	<b>3.13</b>	<b>31.39</b>	<b>3.16</b>	<b>0.90</b>	<b>-</b>	<b>388.11</b>
<b>Charge for the year</b>	<b>-</b>	<b>3.28</b>	<b>7.73</b>	<b>108.68</b>	<b>4.34</b>	<b>55.93</b>	<b>1.99</b>	<b>1.03</b>	<b>8.21</b>	<b>1.50</b>	<b>7.89</b>	<b>0.06</b>	<b>200.64</b>
<b>Deductions/Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.81</b>	<b>-</b>	<b>22.82</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>9.84</b>	<b>23.17</b>	<b>294.71</b>	<b>28.45</b>	<b>167.79</b>	<b>4.51</b>	<b>4.16</b>	<b>39.60</b>	<b>4.66</b>	<b>(11.02)</b>	<b>0.06</b>	<b>565.93</b>
<b>Net Block</b>													
Balance as at 31 <sup>st</sup> March, 2018	31.54	183.43	122.74	1,388.83	12.37	632.47	13.81	5.35	15.82	4.06	3.45	-	2,413.87
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>31.54</b>	<b>180.15</b>	<b>149.88</b>	<b>1,370.40</b>	<b>39.64</b>	<b>576.54</b>	<b>47.15</b>	<b>12.90</b>	<b>7.24</b>	<b>5.13</b>	<b>21.14</b>	<b>1.36</b>	<b>2,443.07</b>

(i) The Deductions/Adjustments include the impairment loss relating to plant and machinery (Coal Crusher Machine for Boiler) which is no longer in use. Excess of carrying amount ₹ 4.27 Lakhs over recoverable amount ₹ 0.37 Lakhs i.e. ₹ 3.90 Lakhs has been recognised as impairment loss in the Statement of Profit and Loss.

(ii) The net block of Plant & Machineries as at 31<sup>st</sup> March, 2019 includes the carrying value of ₹ 481.49 lakhs pertaining to company's EDC Plant, its related machineries & equipment ("EDC Plant"), which have remained idle for considerable period of time. The company had been exploring the various alternative usages of said plant and had been continually doing research on finding effective ways to utilize the EDC Plant. The company, as a result of its intense research, has narrowed down various options with respect to effective usage of the plant and identified three new products which could be manufactured through EDC plant. The management believes that there is a healthy demand of identified new products in the market. The Research & Development Department of the Company is presently focusing on activities related to the plant overhaul and making efforts to make it ready for the intended use by end of F.Y. 2019-20. The company has worked out estimated net cash flows expected to be derived from production and consequent sale of new products to be produced through EDC plant. Based on said projected financials, the company has concluded that the said plant has got significant economic value. Further, the recoverable amount of EDC Plant i.e. Value in Use is ₹ 501.21 lakhs, which is higher than the carrying value of the said plant and hence, no impairment provision is required to be made in carrying value of EDC Plant as at 31<sup>st</sup> March, 2019.

## 5B. Intangible assets

(₹ in Lakhs)		
Particulars	Software & Licenses	Total
<b>Gross Block</b>		
As at 1 <sup>st</sup> April, 2017	-	-
Additions	-	-
Deductions/Adjustments	-	-
As at 31 <sup>st</sup> March, 2018	-	-
<b>Additions</b>	<b>1.84</b>	<b>1.84</b>
<b>Deductions/Adjustments</b>	<b>-</b>	<b>-</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>1.84</b>	<b>1.84</b>
<b>Accumulated Amortisation</b>		
As at 1 <sup>st</sup> April, 2017	-	-
Charge for the year	-	-
Deductions/Adjustments	-	-
As at 31 <sup>st</sup> March, 2018	-	-
<b>Charge for the year</b>	<b>-</b>	<b>-</b>
<b>Deductions/Adjustments</b>	<b>-</b>	<b>-</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>-</b>
<b>Net Block</b>		
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>1.84</b>	<b>1.84</b>

## 6. Investments

(₹ in Lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Investments in Equity Instruments		
Investments in other entities (at FVTOCI)		
87,950 Equity Shares of Sintex Industries Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share)	7.56	15.79
87,950 Equity Shares of Sintex Plastics Technology Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share)	17.77	50.66
<b>Total</b>	<b>25.33</b>	<b>66.45</b>
Aggregate cost of quoted investments	7.88	7.88
Aggregate market value of quoted investments	25.33	66.45

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>7. Financial Assets : Others</b>		
<b>(Unsecured, Considered Good unless Otherwise Stated)</b>		
Security Deposits	0.39	0.39
Lien-marked Margin Money Deposits against Bank Guarantees	14.21	9.59
<b>Total</b>	<b>14.60</b>	<b>9.97</b>
<b>8. Other Non-current Assets</b>		
<b>(Unsecured, Considered Good unless Otherwise Stated)</b>		
Capital advances	6.66	6.76
Prepaid Expenses	1.35	1.70
Balances with Government Authorities		
- CST	2.58	2.58
- VAT	-	0.31
- Income Tax (Refund Receivable)	64.47	-
- Income Tax paid under protest	67.09	-
Advance Income tax (net of provisions)	-	124.79
<b>Total</b>	<b>142.15</b>	<b>136.14</b>
<b>9. Inventories</b>		
Raw Materials	287.44	177.75
Raw Materials -Goods in transit	-	94.70
Work in Progress	245.64	63.30
Finished goods	359.55	307.17
Packing materials	6.70	4.20
Fuel	15.40	10.92
Stores and Spares	17.63	15.45
<b>Total</b>	<b>932.38</b>	<b>673.49</b>
<b>Notes:</b>		
(i) Write down of inventories to net realisable value amounted to ₹ Nil (31 <sup>st</sup> March, 2018 ₹ 14.55 Lakhs). These were recognised as an expense during the year.		
<b>10. Trade Receivables</b>		
<b>Unsecured, Considered Good</b>		
Others	764.89	790.06
Credit impaired	-	7.31
Less: Provision for credit losses	-	7.31
<b>Total</b>	<b>764.89</b>	<b>790.06</b>



(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>11. Cash and Cash Equivalents</b>		
Balances with Banks		
In current account	-	1.00
In cash credit account	-	46.70
Cash on hand	<b>0.20</b>	0.38
<b>Total</b>	<b>0.20</b>	48.08
<b>12. Other Bank Balances</b>		
Other bank deposits with original maturity of more than 3 months upto 12 months including accrued interest	<b>1,692.55</b>	1,019.33
Earmarked bank balances*	<b>28.09</b>	10.75
<b>Total</b>	<b>1,720.64</b>	1,030.08
*These balances represents unclaimed dividend account which is earmarked for payment of dividend and cannot be used for any other purpose.		
<b>13. Financial Assets : Others</b>		
Wind farm Receivable	-	2.80
Forward Contract Asset	-	7.45
<b>Total</b>	-	10.25
<b>14. Current Tax Assets (Net)</b>		
Advance Tax (Net of provisions)	<b>4.97</b>	-
<b>Total</b>	<b>4.97</b>	-
<b>15. Other Current Assets</b>		
<b>Unsecured, considered good</b>		
Balances with Government Authorities	<b>3.44</b>	-
Prepaid Expenses	<b>30.14</b>	29.80
Advances to vendors	<b>20.00</b>	5.05
Employee Advance	<b>0.10</b>	-
Contract Asset - Right to Recover an Asset	<b>10.83</b>	-
<b>Total</b>	<b>64.51</b>	34.85

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>16. Equity Share Capital</b>		
<b>Authorised</b>		
17,550,000 (P.Y. 17,550,000) Equity shares of ₹ 10/- each	1,755.00	1,755.00
<b>Total</b>	1,755.00	1,755.00
<b>Issued, Subscribed and Fully Paid Up</b>		
9,783,240 (P.Y. 9,783,240) Equity Shares ₹ 10/- each	978.32	978.32
<b>Total</b>	978.32	978.32

**Reconciliation of number of equity shares outstanding at the beginning and at the end of reporting period is as under:**

Particulars	No. of Shares	Share Capital (₹ in Lakhs)
As at 1 <sup>st</sup> April, 2017	97,83,240	978.32
Additions/(Reductions)	-	-
As at 31 <sup>st</sup> March, 2018	97,83,240	978.32
<b>As at 1<sup>st</sup> April, 2018</b>	<b>97,83,240</b>	<b>978.32</b>
Additions/(Reductions)	-	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>97,83,240</b>	<b>978.32</b>

**Details of Shareholder holding more than 5 percent share in Company:**

Name of the Shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Alkyl Amines Chemicals Limited	29,77,996	30.44%	29,77,996	30.44%
Amit M. Mehta	8,62,099	8.81%	8,62,099	8.81%
Perfo Chem (India) Pvt Ltd	8,40,000	8.59%	8,40,000	8.59%
Cherry A Mehta	6,95,178	7.11%	6,95,178	7.11%

#### **Right, Preferences and restrictions attached to Shares**

- 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 17<sup>th</sup> May, 2019 have recommended a final dividend of ₹ 2 per Equity Share (previous year ₹ 2.5 per equity share) to be approved by the shareholders in the ensuing general meeting. On approval, this will result in an outflow of ₹ 235.88 (previous year ₹ 292.61 Lakhs) including dividend distribution tax.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>17. Other Equity</b>		
General Reserve	517.12	517.12
Retained Earnings	3,368.13	2,706.96
Equity instruments carried through other comprehensive income (OCI)	17.46	58.58
<b>Total</b>	<b>3,902.71</b>	<b>3,282.66</b>
<b>Particulars relating to Other Equity</b>		
<b>General Reserve</b>		
Balance at the beginning of the year	517.12	517.12
Additions/Deductions during the year	-	-
Balance at the end of the year	517.12	517.12
<b>Retained Earnings</b>		
Balance at the beginning of the year	2,706.96	2,176.96
Add: Net Profit for the year	1,313.18	708.90
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	(6.02)	(2.28)
Less: Payments of dividends (Interim and Final)	(538.08)	(146.75)
Less: Tax on Dividends (Interim and Final)	(107.91)	(29.87)
Balance at the end of the year	3,368.13	2,706.96
<b>Equity instruments carried through other comprehensive income (OCI)</b>		
Balance at the beginning of the year	58.58	85.18
Fair value gain/(loss) on investments in equity instruments	(41.12)	(26.60)
Balance at the end of the year	17.46	58.58
<b>Total</b>	<b>3,902.71</b>	<b>3,282.66</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 provisions of Companies Act, 2013.

**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 related dividend distribution taxes.

**Reserve for 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.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>18. Provisions</b>		
Provision for employee benefits		
Gratuity	25.18	19.22
Compensated absences	20.89	14.06
<b>Total</b>	<b>46.07</b>	<b>33.28</b>
<b>19. Deferred Tax Liabilities (Net)</b>		
Deferred tax Liabilities (Refer Note 36)	449.44	426.17
Less: Deferred tax Assets (Refer Note 36)	(28.99)	(31.19)
<b>Total</b>	<b>420.45</b>	<b>394.98</b>
<b>20. Borrowings</b>		
Secured		
From Banks		
- In cash credit account*	198.61	-
<b>Total</b>	<b>198.61</b>	<b>-</b>
*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 charge on Inventories, book debts and all other current assets of the unit, as primary security and registered mortgage charge over land & building and hypothecation charge on plant & machinery as collateral security.		
<b>21. Trade Payables</b>		
Micro, Small & Medium Enterprises*	16.86	-
Others	388.68	364.77
<b>Total</b>	<b>405.54</b>	<b>364.77</b>
*The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company.		
Payment made to suppliers beyond the due date during the year was ₹ Nil (P.Y. ₹ Nil). No interest during the year has been paid to Micro and Small Enterprises as there were no delayed payments. Further, interest accrued and remaining unpaid at the year end is ₹ Nil (P.Y. ₹ Nil).		
<b>22. Other Financial Liabilities</b>		
Forward Contract Liability	9.21	-
Unclaimed dividends	28.09	10.75
Contract Liability - Refund to Customer	16.66	-
Payable for Capital Goods	1.06	-
Other Payables	111.96	83.55
<b>Total</b>	<b>166.98</b>	<b>94.30</b>

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>23. Other Current Liabilities</b>		
Liability for Statutory Payments	23.01	19.17
Contract Liability - Advance from Customers	12.85	1.63
<b>Total</b>	<b>35.86</b>	<b>20.80</b>
<b>24. Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	17.55	14.71
Compensated absences	6.64	6.73
<b>Others</b>		
Provision for Sales Return	-	21.46
Others	14.62	10.00
<b>Total</b>	<b>38.81</b>	<b>52.90</b>
<b>25. Current Tax Liabilities (Net)</b>		
Provision for Tax(Net of Advance Tax)	-	42.78
<b>Total</b>	<b>-</b>	<b>42.78</b>

<b>(₹ in Lakhs)</b>		
<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
<b>26. Revenue From Operations</b>		
<b>Sale of products</b>		
Manufactured Goods	<b>4,516.52</b>	3,771.85
Sale of Power generation from windmill	<b>213.45</b>	173.85
<b>Other Operating Revenue</b>		
Sale of Scrap	<b>0.37</b>	5.65
Duty Drawback Scheme benefits	<b>1.29</b>	4.65
<b>Total</b>	<b>4,731.63</b>	3,956.00
<b>27. Other Income</b>		
Interest on Fixed and Other Deposits	<b>88.29</b>	25.50
Interest on IT Refund	-	6.64
Dividend Income	<b>0.09</b>	0.22
Other Non-Operating Income :		
Exchange gains/(losses) on foreign currency	<b>6.54</b>	12.04
Profit/(loss) on Sale of Asset	<b>0.93</b>	-
Balances/Provisions written back (Net)	<b>0.26</b>	-
Miscellaneous Income	<b>0.37</b>	0.71
<b>Total</b>	<b>96.48</b>	45.11
<b>28. Cost of materials consumed</b>		
Raw Materials Consumed :		
Opening Stock	<b>272.45</b>	122.12
Add: Purchases	<b>1,380.48</b>	1,307.21
Less: Closing Stock	<b>287.44</b>	272.45
	<b>1,365.49</b>	1,156.88
Packing Materials :		
Opening Stock	<b>4.20</b>	6.01
Add: Purchases	<b>164.89</b>	119.80
Less: Closing Stock	<b>6.70</b>	4.20
	<b>162.39</b>	121.61
<b>Total</b>	<b>1,527.88</b>	1,278.49

(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>29. Changes in Inventories of Finished Goods and Work-In-Progress</b>		
Finished Goods		
Closing Stock	359.55	307.17
Less: Opening Stock	307.17	230.78
	<u>52.38</u>	<u>76.39</u>
Work in Progress		
Closing Stock	245.64	63.30
Less: Opening Stock	63.30	308.54
	<u>182.34</u>	<u>(245.24)</u>
<b>Total</b>	<u>(234.72)</u>	<u>168.85</u>
<b>30. Employee Benefits Expense</b>		
Salaries, Wages and Bonus	359.66	298.86
Contribution to Provident and Other Funds	34.89	33.04
Staff Welfare Expenses	46.79	41.71
<b>Total</b>	<u>441.34</u>	<u>373.61</u>
<b>31. Finance Costs</b>		
Interest on		
Cash Credit Facilities	1.44	3.48
Term Loans	-	9.71
Others	0.10	7.23
Other Borrowing Costs		
Bank Charges	3.52	1.50
Processing Charges	2.00	10.06
<b>Total</b>	<u>7.06</u>	<u>31.98</u>

Particulars	(₹ in Lakhs)	
	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>32. Other Expenses</b>		
Consumption of stores and spare parts	58.06	52.82
Power and Fuel	477.33	365.31
Rent	6.82	3.87
Repair and Maintenance		
- Buildings	81.80	15.00
- Machinery	140.17	93.58
- Others	3.75	5.56
Insurance	18.99	19.92
Rates and Taxes	3.81	5.25
Job Work Charges	2.34	0.86
Legal and Professional Fees	42.93	47.19
Auditor's Remuneration		
- Audit Fees	8.75	6.29
- Tax Audit Fees	1.85	1.60
- Certification Fees	0.87	1.40
Director's Sitting fees	9.48	10.68
Commission to Directors	25.05	14.46
Printing and Stationery	3.71	5.81
Security Charges	15.71	14.94
Research and Development Expenses	8.95	-
Balances Written off (Net)	2.76	3.86
Travelling and Motor Car Expenses	23.86	27.65
Corporate Social Responsibility Expenses (Refer below)	10.40	3.72
Impairment Loss on Property, Plant and Equipment	3.90	-
Miscellaneous Expenses*	152.71	171.74
<b>Total</b>	<b>1,104.00</b>	<b>871.51</b>

\* None of the item individually accounts for more than ₹ 10,00,000 or 1% of revenue whichever is higher.

**(i) Expenditure towards Corporate Social Responsibility (CSR) activities:**

- (a) Gross amount required to be spent by the Company during the year: **₹ 10.39 Lakhs** (Previous Year: ₹ 3.72 Lakhs)

- (b) Amount spent in cash during the year on: (₹ in Lakhs)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any Asset	-	-	-
	-	-	-
(ii) On purposes other than above	10.40	-	10.40
	(3.72)	-	(3.72)

Amounts in bracket indicate previous year figures.



(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>33. Exceptional Item</b>		
Loss on Surrender of GIDC Land	-	152.52
<b>Total</b>	-	152.52

**34. Research and Development (R&D) :**

The Company has in-House R&D unit at its registered office and is registered with the Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, New Delhi.

**The details of expenditure (Capital & Revenue) incurred during financial year 2018-19 are as under:**

(₹ in Lakhs)

Particulars	R&D Expenditure	Others	Total
<b>Capital Expenditure</b>	<b>31.61</b>	<b>-</b>	<b>31.61</b>
<b>Revenue Expenditure - Research Expenses</b>			
<b>Employee Benefits Expense (In Note 30)</b>			
- Salaries, Wages and Bonus	26.90	-	26.90
- Contribution to Provident and Other Funds	1.87	-	1.87
<b>Other Expenses (In Note 32)</b>			
- R&D Expenses	8.95	-	8.95
- Stores and Spares Consumed	17.32	-	17.32
- Legal and Professional fees	6.00	-	6.00
Depreciation on R & D Equipment	-	4.34	4.34
<b>Total R&amp;D Expenditure incurred in 2018-19</b>	<b>92.65</b>	<b>4.34</b>	<b>96.99</b>
Total R&D Expenditure incurred in 2017-18	10.70	3.21	13.91

**35. Disclosures as per Ind AS- 115 “Revenue from Contracts with Customers”:**

- The Company derives revenues from sale of goods, power units and scrap from its contracts with customers. The revenues have been disclosed in Note No.26 “Revenue from Operations”.

- The disaggregation of revenues is as under:

(₹ in Lakhs)

Nature	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b><u>Revenue from contracts with customers</u></b>		
Revenues from sale of goods	4,516.52	3,771.85
Revenues from sale of power units	213.45	173.85
Revenues from sale of scrap - (other operating revenue)	0.37	5.65
<b>Total</b>	<b>4,730.34</b>	<b>3,951.35</b>

The revenues are further disaggregated into revenues from domestic as well as export market as follows:

(₹ in Lakhs)

Nature	Domestic		Exports	
	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Sale of goods	4,426.45	3,389.94	90.07	381.91
Sale of power units	213.45	173.85	-	-
Sale of scrap	0.37	5.65	-	-
<b>Total</b>	<b>4,640.27</b>	<b>3,569.44</b>	<b>90.07</b>	<b>381.91</b>

3. The movement in Company's receivables, contract assets and contract liabilities are as under:

(₹ in Lakhs)

Particulars	Receivables	Contract Assets	Contract Liabilities
Balance as at the beginning of the year	790.06	-	1.63
Additions / (Adjustments)	(25.16)	10.83	29.51
<b>Balance as at the end of the year</b>	<b>764.90</b>	<b>10.83</b>	<b>31.14</b>

The revenue of ₹ 1.63 lakhs has been recognised from the carried forward contract liabilities balance as at the beginning of the year.

4. The revenue from contracts with customers for the year includes variable consideration (volume discounts) of ₹ 35.41 lakhs, which has been deducted from the transaction price. The company uses expected value method in measuring the variable consideration. There were no constraints in estimating variable consideration.
5. The revenue from contracts with customers for the year also include the impact of customers' right to return the goods of ₹ 10.83 lakhs. The same has been deducted from the transaction price. The corresponding refund liability and right to recover an asset have been recognised in the financial statements.
6. The Company has applied practical expedient referred to in paragraph 121 of Ind AS 115 and accordingly, has not disclosed information related to remaining performance obligations. No consideration from contracts with customers is excluded from the remaining performance obligations.

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

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

(₹ in Lakhs)

a. Profit or Loss Section	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Current Tax	447.20	216.55
Earlier Year	(6.41)	-
Deferred Tax	27.94	(101.52)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>468.73</b>	<b>115.03</b>

(₹ in Lakhs)

**b. Other Comprehensive Income Section**

	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Net loss/(gain) on Remeasurements of Defined Benefits Plans	(2.47)	(0.88)
<b>Income Tax Expense reported in Other Comprehensive Income</b>	<b>(2.47)</b>	<b>(0.88)</b>

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

(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Profit before Tax	1,781.91	823.95
Corporate Tax rate as per Income Tax Act, 1961	29.12%	27.82%
Tax on Accounting Profit	518.89	229.22
<b>Tax effect of :</b>		
Income Exempt from Tax	(0.03)	(0.06)
Expenses Allowed separately	(171.82)	(88.87)
Tax on Expense not deductible	98.95	74.23
Excess Provision Made	1.21	2.03
<b>Current Tax Provision (A)</b>	<b>447.20</b>	<b>216.55</b>
Deferred Tax Liability	(1.47)	(106.47)
Deferred Tax Asset	29.41	4.95
<b>Explanation for change in applicable tax rate</b>		
<b>Deferred Tax Asset/(Liability) (B)</b>	<b>27.94</b>	<b>(101.52)</b>
<b>Tax expenses recognised during the year (A+B)</b>	<b>475.14</b>	<b>115.03</b>
Effective Tax Rate	26.66%	13.96%

**Deferred Tax**

**2018-19**

**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	426.17	23.27	-	449.44
Provision for Provident Fund liability	(2.78)	(0.13)	-	(2.91)
Expenses allowable for tax purpose when paid	(20.92)	(1.34)	(2.47)	(24.73)
Provision for Sales Return	(2.81)	2.81	-	-
Provision for Doubtful debts and advances	(4.26)	3.05	-	(1.21)
Provision for Cenvat Receivable	(0.42)	0.28	-	(0.14)
<b>Total</b>	<b>394.98</b>	<b>27.94</b>	<b>(2.47)</b>	<b>420.45</b>

**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)	-	426.18
Provision for Provident Fund liability	(3.31)	0.52	-	(2.79)
Expenses allowable for tax purpose when paid	(24.47)	4.43	(0.88)	(20.92)
Provision for Sales Return	0.25	(3.06)	-	(2.81)
Provision for Doubtful debts and advances	-	(4.26)	-	(4.26)
Provision for Cenvat Receivable	-	(0.42)	-	(0.42)
<b>Total</b>	<b>497.38</b>	<b>(101.52)</b>	<b>(0.88)</b>	<b>394.98</b>

**37. In accordance with Ind AS - 33, "Earnings Per Share", the Basic and Diluted EPS have been calculated as under:**

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Profits available to equity shareholders (₹ in Lakhs)	<b>1,313.18</b>	708.90
Weighted Average Number of Equity Shares	<b>97,83,240</b>	97,83,240
<b>Earnings Per Share of ₹ 10 each</b>		
- Basic & Diluted (in ₹)	<b>13.42</b>	7.25

**38. Contingent Liabilities and Commitments (to the extent not provided for) (₹ in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(A) Contingent liabilities not provided for in respect of:</b>		
(a) Guarantees issued by the bankers on behalf of the Company	<b>50.47</b>	74.83
Total (a)	<b>50.47</b>	<b>74.83</b>
(b) Provident Fund *	-	-
(c) <u>Pending Litigations:</u>		
(i) Claims against the company not acknowledged as debt under labour laws	<b>6.40</b>	6.40
(ii) Income Tax	<b>283.20</b>	240.46
(iii) Service Tax/Excise	<b>77.71</b>	76.78
(iv) Provident Fund	<b>29.50</b>	29.50
(v) Directorate General of Foreign Trade	<b>53.65</b>	53.65
Total (c)	<b>450.46</b>	406.79
Total (a+c)	<b>500.93</b>	481.62

**(B) Commitments:**

**(₹ in Lakhs)**

Particulars	As at	As at
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	<b>115.69</b>	15.29

\* There are numerous interpretative issues relating to the Supreme Court Judgement on Provident Fund dated 28<sup>th</sup> February, 2019. The company has initiated the process of evaluating the impact of said judgement, if any, on its financials. Due to various complexities involved presently in ascertaining the impact, the company is not able to reliably estimate the quantum of provision, if any, required to be made as at 31<sup>st</sup> March, 2019. The company will make necessary provision, if any, on receiving further clarity on the subject and on completion of its impact evaluation process on the matter.

**39. Leases**

**Operating lease**

The Company has certain warehouses for its business operations under leave and license agreements. These are generally not non-cancellable agreements and they are for the periods not exceeding 12 months under the said agreements. The said agreements are renewable by mutual consent on mutually agreeable terms.

Lease Payments recognised during the year:

**(₹ in Lakhs)**

Particulars	For the	For the
	year ended	year ended
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Lease Payments - Rent	<b>6.82</b>	3.87

**40. Employee Benefits**

The Company has classified various employee benefits as under:

**A. Defined Contribution Plans**

- Provident Fund
- Superannuation Fund

The Provident Funds 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:

**(₹ in Lakhs)**

Particulars	For the	For the
	year ended	year ended
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Contribution to Provident Fund	<b>23.27</b>	21.49
Superannuation Fund	<b>4.34</b>	4.40
<b>Total</b>	<b>27.61</b>	25.89

**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.

**The provision towards Compensated Absences is as under:**

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Non-Current liability	20.89	14.06
Current liability	6.64	6.73
<b>Total</b>	<b>27.53</b>	<b>20.79</b>

**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**

- Gratuity (Funded through annual payment to Life insurance corporation of India)
- Compensated absences 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	(₹ in Lakhs)	
	Valuation as at 31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
i. Discount Rate (per annum)	7.79%	7.73%
ii. Rate of increase in compensation levels (per annum)	4.50%	4.50%
iii. Expected Rate of Return on Assets	7.79%	7.73%

iv. Attrition Rate	<b>2.00%</b>	2.00%
v. Mortality rate during the employment	<b>Indian Assured Lives Mortality (2006-08)</b>	
vi. Actuarial Valuation Method	<b>Projected Unit Credit Method</b>	
vii. Retirement Age (years)	<b>58</b>	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.		

**The provision towards the Gratuity is as under:**

**(₹ in Lakhs)**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2019</b>	<b>As at 31<sup>st</sup> March, 2018</b>
Non-Current liability	<b>25.18</b>	19.22
Current liability	<b>17.55</b>	14.71
<b>Total</b>	<b>42.73</b>	33.93

**(₹ in Lakhs)**

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>
	<b>Gratuity Funded</b>	<b>Gratuity Funded</b>

**i. Change in the Present Value of Projected Benefit Obligation**

Present Value of Benefit Obligation at the Beginning of the Period	<b>86.10</b>	106.00
Interest Cost	<b>6.66</b>	7.96
Current Service Cost	<b>4.64</b>	4.51
(Benefit Paid From the Fund)	<b>(14.52)</b>	(33.72)
Actuarial (Gains)/ Losses on Obligations - Due to Change in Financial Assumptions	<b>(0.16)</b>	(0.65)
Actuarial (Gains)/ Losses on Obligations - Due to Experience	<b>7.76</b>	1.99
Present Value of Benefit Obligation at the End of the Period	<b>90.47</b>	86.10

**ii. Changes in the Fair value of Plan Assets**

Fair Value of Plan Assets at the Beginning of the Period	<b>52.17</b>	75.73
Interest Income	<b>4.03</b>	5.69
Contributions by the Employer	<b>6.94</b>	6.31
(Benefit Paid From the Fund)	<b>(14.52)</b>	(33.72)
Return on Plan Assets, Excluding Interest Income	<b>(0.90)</b>	(1.83)
Fair Value of Plan Assets at the End of the Period	<b>47.74</b>	52.17

<b>iii. Net (Liability)/Asset Recognised in the Balance Sheet</b>		
(Present Value of Benefit Obligation at the end of the Period)	<b>(90.47)</b>	(86.10)
Fair Value of Plan Assets at the end of the Period	<b>47.74</b>	52.17
Funded Status (Surplus/ (Deficit))	<b>(42.74)</b>	(33.93)
Net (Liability)/Asset Recognised in the Balance Sheet	<b>(42.74)</b>	(33.93)
<b>iv. Expenses Recognised in the Statement of Profit or Loss for the Current Period</b>		
Current Service Cost	<b>4.64</b>	4.51
Net Interest Cost	<b>2.62</b>	2.27
Expenses Recognised	<b>7.26</b>	6.79
<b>v. Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period</b>		
Actuarial (Gains)/ Losses on Obligation For the Period	<b>7.59</b>	1.34
Return on Plan Assets, Excluding Interest Income	<b>0.90</b>	1.83
Net (Income)/Expenses For the Period Recognised in OCI	<b>8.49</b>	3.17
<b>vi. Maturity Analysis of the Benefit Payments : From the Fund</b>		
Projected Benefits Payable in Future Years From the Date of Reporting		
1 <sup>st</sup> Following Year	<b>27.05</b>	14.33
2 <sup>nd</sup> Following Year	<b>8.08</b>	11.53
3 <sup>rd</sup> Following Year	<b>29.44</b>	13.68
4 <sup>th</sup> Following Year	<b>9.50</b>	30.61
5 <sup>th</sup> Following Year	<b>8.42</b>	8.07
Sum of Years 6 to 10	<b>16.75</b>	22.15
Sum of Years 11 to above	<b>30.06</b>	24.37
<b>vii. Sensitivity Analysis</b>		
Projected Benefit Obligation on Current Assumptions	<b>90.47</b>	86.10
Delta Effect of +1% Change in Rate of Discounting	<b>(2.58)</b>	(2.80)
Delta Effect of -1% Change in Rate of Discounting	<b>2.89</b>	3.10
Delta Effect of +1% Change in Rate of Salary Increase	<b>2.95</b>	3.17
Delta Effect of -1% Change in Rate of Salary Increase	<b>(2.68)</b>	(2.91)
Delta Effect of +1% Change in Rate of Employee Turnover	<b>0.58</b>	0.56
Delta Effect of -1% Change in Rate of Employee Turnover	<b>(0.66)</b>	(0.63)

**Notes 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 presented 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 those in the previous year.



#### 41. 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 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>A. Segment Revenue (Sales / Services to external customers):</b>		
a. Speciality Chemicals	4,518.18	3,782.15
b. Power Generation	213.45	173.85
<b>Total Revenue</b>	<b>4,731.63</b>	<b>3,956.00</b>
<b>B. Segment Results :</b>		
Profit / (Loss) before Tax and Interest		
a. Speciality Chemicals	1,608.43	901.75
b. Power Generation	128.99	90.42
<b>Total</b>	<b>1,737.42</b>	<b>992.17</b>
Less : Interest Expense	7.06	31.98
Others Unallocated Expenses	(51.55)	136.26
<b>Profit/(Loss) before Tax</b>	<b>1,781.91</b>	<b>823.93</b>
Current Tax	447.20	216.55
Tax relating to Earlier Years	(6.41)	
Deferred Tax	27.94	(101.52)
	<b>468.73</b>	<b>115.03</b>
<b>Profit / (Loss) after Tax</b>	<b>1,313.18</b>	<b>708.90</b>

(₹ in Lakhs)		
Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Other Information :</b>		
<u>Segment Assets</u>		
a. Speciality Chemicals	5,559.96	4,344.90
b. Power Generation	608.07	853.44
c. Others – Unallocated	25.33	66.45
<b>Total</b>	<b>6,193.36</b>	<b>5,264.79</b>
<u>Segment Liabilities</u>		
a. Speciality Chemicals	1,312.32	1,003.81
b. Power Generation	-	-
c. Others – Unallocated	-	-
<b>Total</b>	<b>1,312.32</b>	<b>1,003.81</b>

Capital Expenditure during the year

a. Speciality Chemicals		
– Tangible Fixed Assets	<b>237.01</b>	64.16
– Capital Advances	<b>6.66</b>	6.76
b. Power Generation	-	-
c. Others – Unallocated	-	-
<b>Total</b>	<b>243.67</b>	70.92

Depreciation during the year

a. Speciality Chemicals	<b>156.11</b>	150.28
b. Power Generation	<b>44.53</b>	44.53
c. Others – Unallocated	-	-
<b>Total</b>	<b>200.64</b>	194.81

**Notes :**

- There is only one single customer contributing 10% or more to the company's revenue for F.Y. 2018-19 i.e. ₹ 832.58 lakhs and ₹ Nil for F.Y. 2017-18.
- The revenue from the said customer pertains to the Speciality Chemicals.
- The Company does not have any other reportable segment in terms of Ind AS 108 on "Operating Segments".

**42. Related Party Disclosures:**

Name of related parties and description of their relationships are as under:

**(A) Associate Company:**

Alkyl Amines and Chemicals Limited

**(B) Key Managerial Personnel:**

Mr. Yogesh M Kothari	Chairman - Non Executive Director
Mr. Amit M Mehta	Vice Chairman - Non Executive Director
Mr. Kirat Patel	Non Executive Director
Mr. Rajendra Chhabra	Independent Director
Mr. Shreyas Mehta	Independent Director
Mrs. Darshna Mankad	Independent Director (upto 23 <sup>rd</sup> January, 2018)
Mr. Dhruv Kaji	Independent Director (upto 11 <sup>th</sup> February, 2019)
Mr. Ambrish Dalal	Independent Director
Mrs. Kejal Pandya	Independent Director (w.e.f 27 <sup>th</sup> April, 2018)
Mr. G. S. Venkatachalam	Executive Director

**(C) Entities over which Key Managerial Personnel exercise significant influence:**

S Amit & Co.

S Amit Speciality Chemicals Pvt. Ltd.

**(D) Entity over which Associate exercises significant influence - Subsidiary of Associate Company**

Alkyl Speciality Chemicals Limited

**The following transactions were carried out with the related parties in ordinary course of business during the year:**

			(₹ in Lakhs)
Nature of Transaction	Entities over which Key Managerial Personnel exercise significant influence	Key Managerial personnel	Total
<b>Remuneration paid</b>	-	<b>37.93</b>	<b>37.93</b>
	-	(34.78)	(34.78)
Mr. G. S. Venkatachalam	-	<b>37.93</b>	<b>37.93</b>
	-	(34.78)	(34.78)
<b>Sitting Fees paid</b>	-	<b>9.48</b>	<b>9.48</b>
	-	(10.68)	(10.68)
Mr. Yogesh M Kothari	-	<b>0.86</b>	<b>0.86</b>
	-	(1.26)	(1.26)
Mr. Amit M Mehta	-	<b>0.96</b>	<b>0.96</b>
	-	(1.35)	(1.35)
Mr. Kirat Patel	-	<b>2.50</b>	<b>2.50</b>
	-	(2.70)	(2.70)
Mr. Rajendra Chhabra	-	<b>2.36</b>	<b>2.36</b>
	-	(2.76)	(2.76)
Mr. Shreyas Mehta	-	<b>0.20</b>	<b>0.20</b>
	-	(0.60)	(0.60)
Mrs. Darshna Mankad	-	-	-
	-	(1.00)	(1.00)
Mr. Dhruv Kaji	-	<b>0.40</b>	<b>0.40</b>
	-	(0.40)	(0.40)
Mr. Ambrish Dalal	-	<b>1.00</b>	<b>1.00</b>
	-	(0.60)	(0.60)
Mrs. Kejal Pandya	-	<b>1.20</b>	<b>1.20</b>
	-	-	-
<b>Interest on Loans</b>	-	-	-
	-	(1.15)	(1.15)
Mr. Yogesh M Kothari	-	-	-
	-	(0.94)	(0.94)
Mr. Ambrish Dalal	-	-	-
	-	(0.21)	(0.21)
<b>Loans Repaid</b>	-	-	-
	-	(75.00)	(75.00)
Mr. Yogesh M Kothari	-	-	-
	-	(50.00)	(50.00)
Mr. Ambrish Dalal	-	-	-
	-	(25.00)	(25.00)

**Diamines And Chemicals Limited**

CIN NO: L24110GJ1976PLC002905



<b>Commission</b>	-	<b>25.05</b>	<b>25.05</b>
	-	(14.46)	(14.46)
Mr. Yogesh M Kothari	-	<b>5.58</b>	<b>5.58</b>
	-	(2.54)	(2.54)
Mr. Amit M Mehta	-	<b>5.58</b>	<b>5.58</b>
	-	(2.54)	(2.54)
Mr. Kirat Patel	-	<b>2.32</b>	<b>2.32</b>
	-	(1.06)	(1.06)
Mr. Rajendra Chhabra	-	<b>2.32</b>	<b>2.32</b>
	-	(1.06)	(1.06)
Mr. Shreyas Mehta	-	<b>0.93</b>	<b>0.93</b>
	-	(0.42)	(0.42)
Mr. Dhruv Kaji	-	-	-
	-	(0.42)	(0.42)
Mr. Ambrish Dalal	-	<b>0.93</b>	<b>0.93</b>
	-	(0.42)	(0.42)
Mrs. Kejal Pandya	-	<b>0.93</b>	<b>0.93</b>
	-	-	-
Mr. G. S. Venkatachalam	-	<b>6.45</b>	<b>6.45</b>
	-	(6.00)	(6.00)
<b>Reimbursement of Expenses</b>	<b>3.86</b>	<b>0.43</b>	<b>4.29</b>
	(3.62)	(0.56)	(4.17)
Mr. G. S. Venkatachalam	-	<b>0.43</b>	<b>0.43</b>
	-	(0.56)	(0.56)
S Amit & Co.	<b>3.86</b>	-	<b>3.86</b>
	(0.15)	-	(0.15)
S Amit Speciality Chemicals Pvt. Ltd.	-	-	-
	(3.46)	-	(3.46)

Amounts in bracket indicate previous year figures.

**Balance as at:** (₹ in Lakhs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2019</b>	<b>As at 31<sup>st</sup> March, 2018</b>
<b>Other payable:</b>	<b>25.05</b>	14.49
<b>Key Managerial Personnel:</b>		
Mr. Yogesh M Kothari	-	0.01
Mr. Amit M Mehta	-	0.01
Mr. Rajendra Chhabra	-	0.01
<b>Commision to Directors:</b>		
Mr. Yogesh M Kothari	<b>5.58</b>	2.54
Mr. Amit M Mehta	<b>5.58</b>	2.54
Mr. Rajendra Chhabra	<b>2.32</b>	1.06
Mr. Kirat Patel	<b>2.32</b>	1.06

Mr. Shreyas Mehta	<b>0.93</b>	0.42
Mr. Dhruv Kaji	-	0.42
Mr. Ambrish Dalal	<b>0.93</b>	0.42
Mrs. Kejal Pandya	<b>0.93</b>	-
Mr. G. S. Venkatachalam	<b>6.45</b>	6.00

Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	(₹ in Lakhs)	
	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
Short-term employee benefits	<b>72.46</b>	59.92
Post-employment benefits	<b>19.71</b>	11.96

### 43. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

#### (a) Financial assets and liabilities:

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Measured at fair value through Profit and Loss (FVTPL)</b>		
Derivatives		
- Forward Contracts	-	255.18
Total	-	255.18
<b>Measured at fair value through Other Comprehensive Income (FVTOCI)</b>		
(a) Investments in equity instruments :	<b>25.33</b>	66.45
Total	<b>25.33</b>	66.45
<b>Measured at amortised cost</b>		
Trade and other receivables	<b>764.89</b>	790.06
Cash and cash equivalents	<b>0.20</b>	48.08
Other bank balances	<b>1,720.64</b>	1,030.08
Other financial assets	<b>14.60</b>	20.23
Total	<b>2,500.33</b>	1,888.45

**II. Financial liabilities: (₹ in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Measured at fair value through Profit and Loss (FVTPL)</b>		
Derivatives		
- Forward Contracts	9.21	-
Total	9.21	-
<b>Measured at amortised cost</b>		
Short term borrowings	198.61	-
Trade payables	405.54	364.77
Other financial liabilities	157.77	94.30
Total	761.92	459.07

**(b) Capital**

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 divided by total equity. The capital structure of the Company as at 31<sup>st</sup> March, 2019 does not include any debt as the Company has repaid all its borrowings.

**Debt Equity Ratio - Total Debt divided by Total Equity (₹ in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total Debt	198.61	-
Total Equity	4,881.03	4,260.98
Debt Equity Ratio	0.04	-

**Fair Value Measurement:**

This note provides information about how the Company determines fair values of various financial assets.

**Fair value of the Company's financial assets/financial liabilities that are measured at fair value on a recurring basis**

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

**1. Financial assets / liabilities at fair value through Profit and Loss (FVTPL) (₹ in Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets / (liabilities) measured at fair value</b>						
Gain / (Loss) on Forward Contract		(9.21)			7.45	

Valuation technique and key input : Mark to market Statement provided by State Bank of India

**2. Financial assets / liabilities at fair value through other comprehensive income (FVTOCI)**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019			As at 31 <sup>st</sup> March, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>						
Investments in equity -						
Quoted	<b>25.33</b>			66.45		

Valuation technique and key input: Quoted bid prices from Bombay Stock Exchange.

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements (except fair value of investments in equity instruments and derivatives forward contracts) approximate their fair values.

There has been no transfers between level 1, level 2 and level 3 for the years ended 31<sup>st</sup> March, 2019.

**(c) Financial risk management:**

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 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 selective 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 objectives 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 changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

**(i) Foreign Currency Risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Foreign currency exposure as at 31<sup>st</sup> March, 2019 are hedged as per the policy of the company

Particulars	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Amount in Foreign currency	₹ in Lakhs	Amount in Foreign currency	₹ in Lakhs
Payable USD	4,09,959	<b>294.62</b>	3,80,145	<b>249.65</b>
Receivable USD	-	-	1,30,316	<b>81.90</b>

**Foreign Currency Sensitivity:**

The Company is principally exposed to foreign currency risk against USD. **Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.** As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in Lakhs)		
USD sensitivity at year end	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>Assets:</b>		
Weakening of INR by 5%	-	4.10
Strengthening of INR by 5%	-	-4.10
<b>Liabilities:</b>		
Weakening of INR by 5%	-14.73	-12.48
Strengthening of INR by 5%	14.73	12.48

**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.

Though the forward contracts are not designated as hedging instruments, they are used for hedging foreign currency exposure and outstanding as at year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 are as under:-

Outstanding contracts	Average exchange rates		Foreign Currency	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
USD-Sell	71.87	65.44	4,09,959	3,90,166
(₹ in Lakhs)				
Outstanding contracts	Nominal Amounts		Fair value	
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
In INR	294.62	255.32	285.41	255.18
<b>Total</b>	<b>294.62</b>	<b>255.32</b>	<b>285.41</b>	<b>255.18</b>

**(II) Interest rate risk:**

The Company invests the surplus fund generated from operations in bank deposits. Bank deposits are made for a period of upto 12 months and carry interest rate of 6.4%-6.8% as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk.

**(III) Price risk:**

The Company's equity securities price risk arises from investments held and classified in the balance sheet at fair value through OCI. The Company's equity investments in Sintex Industries Limited & Sintex Plastics Technology Limited are publicly traded.

**Price sensitivity analysis:**

The sensitivity of profit or loss in respect of investments in equity shares at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Other comprehensive income for the year ended 31<sup>st</sup> March, 2019 would increase / decrease by ₹ 1.27 Lakhs (P.Y. ₹ 3.32 Lakhs) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

**(b) Credit risk:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy



counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in equity instruments and trade receivables.

None of the financial instruments of the Company result in material concentrations of credit risks.

**(c) Liquidity risk:**

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in Lakhs)

Particulars	Less than 1 year	1 Years to 3 Years	3 Years to 5 Years	5 Years and above
<b>As at 31<sup>st</sup> March, 2019</b>				
Short term borrowings	198.61	-	-	-
Trade payables	405.54	-	-	-
Other Financial Liabilities	166.98	-	-	-
<b>Total</b>	<b>771.13</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31<sup>st</sup> March, 2018</b>				
Short term borrowings	-	-	-	-
Trade payables	364.77	-	-	-
Other Financial Liabilities	94.30	-	-	-
<b>Total</b>	<b>459.07</b>	<b>-</b>	<b>-</b>	<b>-</b>

44. The Company is in the process of completing necessary procedures for transferring the shares on which the dividend has not been claimed for the period of 7 consecutive years to Investor Education and Protection Fund.
45. The company has sought balance confirmations from trade receivables and trade payables, wherever such balance confirmations are received by the Company, the same are reconciled and appropriate adjustments if required, are made in the books of accounts.
46. Previous year's figures have been regrouped, wherever necessary, to confirm to current year's classification.
- 47. Approval of Financials Statements**  
The Financial Statements were approved for issue by the Board of Directors on 17<sup>th</sup> May, 2019.

As per our report of even date attached  
For K. C. Mehta & Co.  
Chartered Accountants

Vishal P. Doshi  
Partner  
Membership No.101533  
Place : Vadodara  
Date : 17th May, 2019

For and on behalf of the Board

YOGESH KOTHARI  
Chairman  
DIN : 00010015  
G.S.VENKATACHALAM  
Executive Director  
DIN : 02205898  
HEMAXI PAWAR  
Company Secretary

AMIT MEHTA  
Vice Chairman  
DIN : 00073907  
DIPEN RUPARELIA  
Chief Financial Officer  
Place : Mumbai  
Date : 17th May, 2019

**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 43<sup>rd</sup> Annual General Meeting held at Plot No.13, PCC Area, P.O. Petrochemicals, Vadodara –391 346 at 12:00 Noon on Friday, the 9<sup>th</sup> August, 2019.

<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 43<sup>rd</sup> (Forty-Third) Annual General Meeting of the Company, to be held on the 9th day of August, 2019 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 31<sup>st</sup> March, 2019 together with the Reports of the Board of Directors' and Auditors' thereon for the year ended on 31<sup>st</sup> March, 2019.
- 2) To appoint a Director in place of Mr. Amit Mehta (DIN: 00073907), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. G. S. Venkatachalam (DIN: 02205898), who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To confirm the payment of Interim Dividends on Equity Shares for financial year 2018-19 and to declare final dividend of ₹ 2 per Ordinary (Equity) share of ₹ 10/- each for the financial year 2018-19.
- 5) Re-appointment of Mr. Rajendra Chhabra (DIN: 00093384) as an Independent Non-Executive Director.
- 6) Re-appointment of Dr. Ambrish Dalal (DIN: 02546506) as an Independent Non-Executive Director.
- 7) Re-appointment of Mr. Shreyas Mehta (DIN: 00211592) as an Independent Non-Executive Director.
- 8) Change in place of keeping of Registers and Returns.

Sign this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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

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

Affix  
Revenue  
stamp

**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, 2019 together with the Reports of the Board of Directors' and Auditors' thereon for the year ended on March 31, 2019.			
2	To appoint a Director in place of Mr. Amit Mehta (DIN: 00073907), who retires by rotation and being eligible, offers himself for re-appointment.			
3	To appoint a Director in place of Mr. G. S. Venkatachalam (DIN: 02205898), who retires by rotation and being eligible, offers himself for re-appointment.			
4	To confirm the payment of Interim Dividends on Equity Shares for financial year 2018-19 and to declare final dividend of ₹ 2 per Ordinary (Equity) share of ₹ 10/- each for the financial year 2018-19.			
5	Re-appointment of Mr. Rajendra Chhabra (DIN: 00093384) as an Independent Non-Executive Director.			
6	Re-appointment of Dr. Ambrish Dalal (DIN: 02546506) as an Independent Non-Executive Director.			
7	Re-appointment of Mr. Shreyas Mehta (DIN: 00211592) as an Independent Non-Executive Director.			
8	Change in place of keeping of Registers and Returns.			

Place :

Date :

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 (Signature of Shareholder)

To

*If undelivered, please return to*



**Diamines and Chemicals Limited**

Regd Office :

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