

BOARD OF DIRECTORS

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

Company Secretary

Mr. Bhavesh Ghaghda

Auditors

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

Bankers

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

Registered Office & Works

Plot No. 13, PCC Area, P. O. Petrochemicals,
VADODARA - 391 346.
Tel : (91) (0265) - 2230 305 / 2230 406 / 2230 929
Fax : (91) (0265) - 2230 218 / 2230 708
Email : info@dacl.co.in
Web Site : www.dacl.co.in

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NOTICE

NOTICE is hereby given that the Thirtyfourth Annual General Meeting of the members of Diamines and Chemicals Limited will be held at the Registered Office of the Company situated at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346 on Tuesday, the 20th day of July, 2010 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March 2010.
3. To appoint a Director in place of Mr. Amit M. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. G.G.Chendwankar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. G.S.Venkatachalam who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Bansi S. Mehta & Co., Chartered Accountants, the retiring Auditors who are eligible for re-appointment, as Auditors of the Company from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Girish Satarkar who was appointed as an Additional Director of the Company on 13th April 2010 by the Board under section 260 of the Companies Act, 1956 and Article 108 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to Article 124 of the Articles of Association of the Company and Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII of the Companies Act, 1956 as amended from time to time and subject to other approvals as may be necessary the Company hereby accords its consent and approval for the appointment of Mr. Girish R. Satarkar as Executive Director of the Company with effect from 13th April, 2010 upto 12th April, 2013 and for the payment of remuneration to him as per the terms and conditions setout in the Explanatory Statement annexed hereto, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment as may be agreed between the Board and Mr. Girish R. Satarkar.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT Mr. Shreyas Mehta, who was appointed as an Additional Director of the Company on 29th January, 2010 by the Board under section 260 of the Companies Act, 1956 and Article 108 of the Articles of Association of the Company and who holds office upto the date of this Annual General

Meeting and in respect of whom the Company has received notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of section 309 and other applicable provisions, if any, of the Companies Act, 1956, and subject to all permissions, sanctions, and approvals as may be necessary, approval of the Company be and is hereby accorded for payment of Commission to the Director(s) of the Company who are not in the whole time employment of the Company, in accordance with and upto the limits laid down under provisions of section 309(4) of the Act, computed in manner specified in the Act, for a period of 5 years from the financial year commencing from 1st April, 2011, in such manner and upto such extent as the Remuneration Committee of the Board may, from time to time, determine.

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

11. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT in super-session of the Resolution passed at the Fifteenth Annual General Meeting of the Shareholders of the Company held on 13th September, 1991 and pursuant to Section 293(1)(d) of the Companies Act, 1956 and other enabling provisions, if any, of the said Act, Consent be and is hereby granted to and authority conferred upon the Board of Directors of the Company, to borrow from time to time from Financial Institutions/Banks and other agencies/parties by way of cash credit, advances, deposit or other loans/debentures/credit facilities etc., whether secured or unsecured by mortgage, charge, hypothecation or pledge of the Company's assets and properties whether movable or immovable or stock-in-trade (including raw-materials, stores, spare parts and components in stock or in transit) work in process and debts and advances not withstanding that sum or sums so borrowed together with the moneys, if any, already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves which have not been set apart for any specific purposes, provided however the total amount so borrowed shall not exceed Rs.200 Crores (Rupees Two Hundred Crores only)."

12. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions of the Companies Act, 1956, to the creation by the Board of Directors on behalf of the Company of such mortgages, charges, hypothecations and floating charges in such form and such manner as may be agreed to between the Board of Directors and the Company's lenders on all or any of the immovable properties of the Company both present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure cash credit, advances, deposit or other loans/debentures/credit facilities etc. not exceeding Rs.200 crores (Rupees Two Hundred Crores only) from Financial Institutions/Banks and other agencies/parties with interest thereon, commitment charges, liquidated damages, charges, expenses and other monies, such mortgages and/or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors".

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

"RESOLVED THAT pursuant to the provisions of section 94, 95 and other applicable provisions, if any,

of the Companies Act, 1956, and subject to all permissions, sanctions, and approvals as may be necessary, approval of the Company be and is hereby accorded to reclassify 7,50,000 (Seven Lacs Fifty Thousand) Cumulative Redeemable Preference Shares of Rs.100/- each (Rupees One Hundred only) mentioned in the Authorized Capital of the Company into 75,00,000 (Seventy Five Lacs) Equity Shares of Rs.10/- each. (Rupees Ten only) and that the first sentence of existing clause V of the Memorandum of Association of the Company be and is hereby substituted with the words as follows:

"The Authorized Share Capital of the Company is Rs.17,50,00,000/- (Rupees Seventeen Crores Fifty Lacs) divided into 1,75,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each."

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, Article 3 of the Article of Association of the Company be substituted with the following new Article 3 :

The Capital of Company will be as that specified in Clause V of the Memorandum of Association from time to time".

Mumbai, Dated: May 21, 2010.

REGISTERED OFFICE:

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

By Order of the Board

Bhavesh Ghaghda
Company Secretary

NOTES:

- (a) The relevant Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 and also Code of Corporate Governance in respect of items 3 to 5 and 7 to 13 annexed hereto.
- (b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY GIVEN HEREUNDER, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from 09.07.10 to 20.07.10 (both days inclusive).
- (d) Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2010 when declared at the meeting will be paid on or after 2nd August, 2010 :-
 - (i) to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company's Registrar & Share Transfer Agent on or before 09.07.2010, **or**
 - (ii) in respect of shares held in electronic form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of business hours on 09.07.2010.
- (e) Members are requested to encash their Dividend Warrants on receipt as Dividend remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956. Once unclaimed dividends are transferred to this fund, members will not be entitled to claim these dividends.
- (f) As mandated by the Securities and Exchange Board of India (SEBI), the Company will be providing ECS facility to the shareholders whereby they will be able to receive their dividend by direct electronic

credit to their bank account. In the absence of availing the option by the shareholder, the Company shall send warrants for dividends. Shareholders are requested to fill the form provided along with the Annual Report and send it to the Company's Registrar & Share Transfer Agent, at the address mentioned herein below as to reach them latest by 09.07.2010 and to their respective Depository Participants, in case the Shares are held in dematerialized form.

- (g) 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.
- (h) Members seeking any information or clarification on the Accounts and operation of the Company are requested to send in written queries to the Company, at least ten days before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
- (i) Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- (j) Members, who hold shares in the dematerialized form, are requested to bring their depository account number for identification.
- (k) Members are requested to immediately address their communications regarding transfer of shares, change of address, dividend mandates, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:

M/s. MCS Limited,

1st Floor, Neelam Apartments, 88, Sampatrao Colony, Vadodara 390 007

Telephone (0265) 2339397 / 2314757 Fax: (0265) 2341639

email: mcsbaroda@yahoo.com

- (l) Members holding shares in dematerialized form, may please note that while opening a depository account with participants they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/correct the bank account details, they should communicate the same immediately to the concerned Depository Participant. Members are also requested to furnish the MICR code of their bank to their Depository Participant. **The Company will not entertain any direct request from Members for deletion/change in the bank account details furnished by Depository Participants to the Company.**
- (m) Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility by filling Form 2B. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
- (n) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

Mumbai, Dated: May 21, 2010.

REGISTERED OFFICE:

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

By Order of the Board

Bhavesh Ghaghda
Company Secretary

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 and also under Corporate Governance.

ITEM NO.3:

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

Mr. Amit M. Mehta is the Vice Chairman of the Company since March 14, 2001. He is also one of the Promoters of the Company. Mr. Amit Mehta aged 56 years, is a successful businessman, having over 35 years 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 5,74,662 equity shares in the Company. Mr. Amit Mehta holds directorship in the following companies;

1. Perfo Chem (I) Pvt. Ltd.
2. Brom Chem (I) Pvt. Ltd.
3. Finorga (I) Pvt. Ltd.
4. Value Healthcare Ltd.
5. Etcetra Lifestyle Limited
6. Insight Health Scan Pvt. Ltd.
7. Topnotch Reality Pvt. Limited
8. Hi-End Property Developers Pvt. Ltd.
9. Pinami Reality Pvt. Ltd.
10. Capelin Investment and Trading Pvt. Ltd.

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

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

ITEM NO.4:

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

Mr. G.G.Chendwankar has been on the Board of the Company since, March 14, 2001. Mr. G. G. Chendwankar aged 71 years, is a post graduate in personnel management and has more than 43 years of rich experience in allied industries like textiles, engineering, chemicals and petrochemicals. He has been to his credit, of managing at senior management level, experience of about 30 years in managing affairs like HR, Administration, Industrial relations and other commercial matters and General Management. His skills and knowledge is of immense help to the Company.

He holds 19,825 equity shares in the Company.

Mr. G. G. Chendwankar does not hold directorship in any other company.

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

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

ITEM NO. 5:

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

Mr. G.S.Venkatachalam has been on the Board of the Company since, May 12, 2008. Mr. G.S. Venkatachalam, aged 55 years, is a Chartered Accountant and has about 25 years of experience in various industries in India and abroad.

The Board considers it beneficial and in the interest of the Company to continue to have the guidance and advice of Mr. G.S. Venkatachalam, and accordingly recommends his appointment as Director of the Company.

He holds 200 equity shares in the Company.

Mr. G. S.Venkatachalam does not hold directorship in any other company.

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

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

ITEM NO. 7 and 8 :

On 13/04/2010, the Board has appointed Mr. Girish R. Satarkar as Additional Director of the Company, Pursuant to Section 260 of the Companies Act,1956, read with 108 of the Articles of Association of the Company. Mr. Girish R. Satarkar holds office only upto the date of Annual General Meeting. The Company has received in Notice under section 257(1) of the Companies Act,1956, in writing from a member proposing the candidature of Mr. Girish R. Satarkar for the office of Director liable to retire by rotation vide Article 110 of the Articles of Association of the Company along with the deposit of Rs. 500.00 as prescribed under the section.

The Board of Directors has appointed Mr. Girish R. Satarkar as an Executive Director for the period from 13th April, 2010 to 12th, April, 2013 upon the terms and conditions including remuneration as set out hereunder.

Mr. Girish R. Satarkar does not hold directorship in any other company.

Statement as required under the Provisions of the Companies Act, 1956:

I) General Information:

- | | | | | | | | | | | | | | | | | | | | |
|--|---|--|--|-------------------|------------------------------|---|-------------------|---------------------------|---|------------------|-----------------|---|---------|------------------|---|---------|---------------|---|------------------|
| 1) Nature of Industry | Manufacturing range of Ethyleneamines at its factory situated at Plot. No. 13, P.C.C Area, P.O. Petrochemicals, Baroda – 391 346. | | | | | | | | | | | | | | | | | | |
| 2) Date of Commencement of commercial production | 28. 01. 1982 | | | | | | | | | | | | | | | | | | |
| 3) Financial Performance For the financial year ended 31.03.2010 | <table border="0"><tbody><tr><td>i. Turnover</td><td>:</td><td>Rs. 4341.54 lakhs</td></tr><tr><td>ii. Operating Profit (PBIDT)</td><td>:</td><td>Rs. 1867.79 lakhs</td></tr><tr><td>iii. Net Profit After Tax</td><td>:</td><td>Rs. 935.42 lakhs</td></tr><tr><td>iv. Debt Equity</td><td>:</td><td>0.89 :1</td></tr><tr><td>v. Current Ratio</td><td>:</td><td>1.90 :1</td></tr><tr><td>vi. Net Worth</td><td>:</td><td>Rs.2101.37 lakhs</td></tr></tbody></table> | i. Turnover | : | Rs. 4341.54 lakhs | ii. Operating Profit (PBIDT) | : | Rs. 1867.79 lakhs | iii. Net Profit After Tax | : | Rs. 935.42 lakhs | iv. Debt Equity | : | 0.89 :1 | v. Current Ratio | : | 1.90 :1 | vi. Net Worth | : | Rs.2101.37 lakhs |
| i. Turnover | : | Rs. 4341.54 lakhs | | | | | | | | | | | | | | | | | |
| ii. Operating Profit (PBIDT) | : | Rs. 1867.79 lakhs | | | | | | | | | | | | | | | | | |
| iii. Net Profit After Tax | : | Rs. 935.42 lakhs | | | | | | | | | | | | | | | | | |
| iv. Debt Equity | : | 0.89 :1 | | | | | | | | | | | | | | | | | |
| v. Current Ratio | : | 1.90 :1 | | | | | | | | | | | | | | | | | |
| vi. Net Worth | : | Rs.2101.37 lakhs | | | | | | | | | | | | | | | | | |
| 4) Export Performance | For the year ended 31.03.10, the Company has made exports of Rs.229.23 lacs. | | | | | | | | | | | | | | | | | | |
| 5) Foreign Investment or Collaboration | <table border="0"><tbody><tr><td>i. The Company is the first ever indigenous plant in its type.</td></tr><tr><td>ii. There is no Foreign investment or collaboration.</td></tr></tbody></table> | i. The Company is the first ever indigenous plant in its type. | ii. There is no Foreign investment or collaboration. | | | | | | | | | | | | | | | | |
| i. The Company is the first ever indigenous plant in its type. | | | | | | | | | | | | | | | | | | | |
| ii. There is no Foreign investment or collaboration. | | | | | | | | | | | | | | | | | | | |

2. Information about the appointee:

A. Background details :

Mr Girish R Satarkar, age 46 years, is Masters of Science (Technology) or M.Sc. (Tech) in Textiles Chemistry (from UDCT, now known as ICT) and Masters in Marketing Management, from Mumbai University.

He has more than 21 years of experience in his core area of competence, Sales & Marketing (Industrial), and has a wide exposure to domestic and international markets, giving him a deep understanding of the dynamics of markets in different business environments (National and International). He has worked in different companies (from Multi National Companies to Large Indian Companies) thereby giving him hands-on experience of different Corporate cultures that exist and has thus enriched his profile on understanding human behaviour and different business practices. This has further helped him in developing effective communication and inter - personal skills.

During the course of his professional journey so far, on the strength of his technical qualifications and Industrial Marketing background, he has been instrumental in introducing various products and has helped in increasing the Market Shares and building - up of Capacities in various positions in different companies.

He has a wide experience of dealing in different products from industries such as Dyestuffs, Pigments, Textile Chemicals, Paper Chemicals, Paints & Polymer Additives, and, Speciality Chemicals. Besides his core area of operations he was also actively involved in other important functions such as Procurement, Vendor Development, Supply Chain Management and Logistics, Production Planning and in some cases, Finance. Thus, he has got an insight and over-view of all the major Management functions.

He is a widely - travelled person and has visited more than 14 countries giving him opportunities to enrich his experience in a variety of fields.

B. ABSTRACT OF THE TERMS OF APPOINTMENT AND REMUNERATION OF MR. GIRISH R. SATARKAR AS AN EXECUTIVE DIRECTOR OF THE COMPANY:

- a) Salary : In the range of Rs.1,00,000/- to Rs.1,60,000/- per month with authority to the Board of Directors to revise it from time to time.
- b) House Rent Allowance: Not exceeding 40% of the salary per month.
- c) Medical reimbursement: Reimbursement of actual medical expenses/ premium on Mediclaim Policy incurred for self and family not exceeding Rs.48,000/- per annum.
- d) Leave Travel Concession: Reimbursement of actual expenses for self and family once in a year to and fro to any place not exceeding Rs.54,000/- per annum.
- e) Use of company car for official and personal work.
- f) Reimbursement of driver's salary/telephone/entertainment expenses not exceeding Rs.7,500/- per month.
- g) Company's contribution to Provident Fund and Superannuation Fund as per rules of the company.
- h) Gratuity as per rules of the company.
- i) Leave as per rules of the company.

The Company shall pay commission on net profits at such percent to the Executive Director as determined by the Board from year to year provided that the total commission shall not exceed 0.25% of the net profits as calculated under the provisions of The Companies Act, 1956 or 25% of the annual basic salary, whichever is lower. In the event of loss or inadequacy of profits, he shall be paid the above remuneration, except commission on profits, provided that the total remuneration shall not exceed the ceilings mentioned in Schedule XIII of the Companies Act, 1956.

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

This may please be treated as an abstract of the terms and conditions regarding the Appointment of Mr. Girish R. Satarkar as an Executive Director pursuant to the provisions of Section 302 of the Companies Act, 1956.

The remuneration payable to Mr. Girish R. Satarkar is in consonance with the remuneration being paid by the other companies of similar size in the industry to their managerial personnel.

C. Job Profile and his suitability:

As an Executive Director, he is responsible for the day to day management of the Company and assisted by Senior Executives. He is working under the superintendence and control of the Board of Directors. He is responsible for all the day to day activities of the Company.

D. Pecuniary Relationship:

He is not related to any of the Promoters / Directors of the Company. Mr. Girish R. Satarkar holds 200 Equity Shares of the Company.

It will be in the interest of the Company that Mr. Girish R. Satarkar is appointed as Executive Director of the Company.

Resolution placed at item no. 7 & 8 of the accompanying notice is recommended for your approval.

Mr. Girish R. Satarkar is interested in this resolution since it relates to his appointment.

Draft of the agreement between the Company and the Executive Director is available for inspection at the Registered Office of the Company during business hours.

ITEM NO. 9:

On 29/01/2010, the Board has appointed Mr. Shreyas Mehta as Independent Director.

Mr. Shreyas Mehta, aged 59 years, is a Businessman and has about 25 years of experience in various industries in India and abroad.

Mr. Shreyas Mehta holds 6000 Equity Shares in the Company. Mr. Shreyas Mehta holds Directorship in the following companies;

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

He holds office until the date of this Annual General Meeting, as per the provisions of section 260 of the Companies Act, 1956. The Company has received a notice under section 257 (1) of the Companies Act, 1956, in writing from a member proposing the candidature of Mr. Shreyas Mehta for the office of Director liable to retire by rotation vide Article 110 of the Articles of Association of the Company along with the deposit of Rs.500.00 as prescribed under the section.

The Board considers it beneficial and in the interest of the Company to continue to have the guidance and advise of Mr. Shreyas Mehta, and accordingly recommends his appointment as Director of the Company.

Mr. Shreyas Mehta is concerned and is interested in his appointment and none of the other Directors are interested or concerned in the said appointment.

Resolution placed at item No 9 of the accompanying notice is recommended for your approval.

ITEM NO. 10:

Since acquisition of the Company by the present promoters in the year 2000, the Company has made steady progress under the superintendence, control and direction of the Directors of the Company.

The Company which was earlier a BIFR Company, has made its networth positive in 2003 – 2004 and is on the Dividend list for the last 6 years. The responsibilities of the Directors have considerably increased with the steady progress of the Company.

Hence, taking into account the responsibilities of the Directors, it is proposed that in terms of section 309 (4) of the Companies Act, 1956, the Directors of the Company {Part – Time Directors, i.e. Other than the Executive Director or the Whole Time Directors, if any} be paid, for each year of five financial years of the Company commencing 1st of April, 2011, remuneration not exceeding 1% per annum { one percent only } or 3% per annum (in the event the Company has no Managing/Whole time Director or Manager) of the net profits of the Company or such other percentages computed in accordance with the provisions of the Companies Act, 1956. The remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

All the Directors of the Company, (except Mr. Girish R. Satarkar) are concerned or interested to the extent of the remuneration that may be received by them.

Resolution placed at item No 10 of the accompanying notice is recommended for your approval.

ITEM NO. 11:

The Shareholders are aware that at the Fifteenth Annual General Meeting of the Shareholders of the Company held on 13th September, 1991 a resolution was passed authorizing the Board of Directors of the Company to borrow money/ies from time to time up to an amount not exceeding Rs.25 Crores (Rupees Twenty Five Crores only) for the purpose of business of the Company. Since then the volume of business has increased considerably and is expected to increase further and as such, it is further likely that the Company may require more funds in future and it will be necessary for the Company to borrow money/ies from time to time either from its bankers or from bodies corporate or from financial institutions or from others for its expanding activities. It is therefore, desirable to increase the said limit of Rs.25 Crores (Rupees Twenty Five Crores) to Rs.200 Crores (Rupees Two Hundred Crores).

Resolution placed at item No 11 of the accompanying notice is recommended for your approval.

None of the Directors is in any way concerned or interested in the aforesaid resolution.

ITEM NO. 12:

The Shareholders are aware that at the Fifteenth Annual General Meeting of the Shareholders of the Company held on 13th September, 1991 a resolution was passed authorizing the Board of Directors of the Company to create charges to secure borrowings of money/ies from time to time up to an amount not exceeding Rs.25 Crores (Rupees Twenty Five Crores only) for the purpose of business of the Company. Since then the volume of business has increased considerably and is expected to increase further and as such, it is further likely that the Company may require more funds in future and it will be necessary for the Company to borrow money/ies from time to time either from its bankers or from bodies corporate or from financial institutions or from others, for its expanding activities. It is therefore, desirable to increase the said limit of Rs.25 Crores (Rupees Twenty Five Crores) to Rs. 200 Crores (Rupees Two Hundred Crores).

Resolution placed at item No 12 of the accompanying notice is recommended for your approval

None of the Directors is in any way concerned or interested in the aforesaid resolution.

ITEM NO. 13:

The Company's Authorized Capital of Rs.17,50,00,000/- (Rupees Seventeen Crores Fifty Lacs) consists of 1,00,00,000 Equity Shares of Rs.10/- each amounting to Rs. 10,00,00,000/- (Rupees Ten Crores) and 7,50,000 Redeemable Preference Shares of Rs.100/- each amounting to Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lacs). The Company has already issued 65,22,160 Equity Shares of Rs.10/- each. In view of growing operations of the Company and also for future growth it may be necessary to issue further Equity Shares. Your Directors feel that it may be advisable to reclassify the existing Redeemable Preference Share. Capital mentioned in the Authorised Capital as Equity Shares Capital. This involves appropriate amendment to Capital Clause V of Memorandum of Association as mentioned in the resolution.

Resolution placed at item no.13 of the accompanying notice is recommended for your approval.

None of the Directors is in any way concerned or interested in the aforesaid resolution.

ITEM NO. 14:

The Company's Authorised Capital of Rs.17,50,00,000/- (Rupees Seventeen Crores Fifty Lacs) consists of 1,00,00,000 Equity Shares of Rs.10/- each amounting to Rs. 10,00,00,000/- (Rupees Ten Crores) and 7,50,000 Redeemable Preference Shares of Rs.100/- each amounting to Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lacs). The Company has already issued 65,22,160 Equity Shares of Rs.10/- each. In view of growing operations of the Company and also for future growth it may be necessary to issue further Equity Shares. Your Directors feel that it may be advisable to reclassify the existing Preference Share Capital mentioned in the Authorised Capital, as Equity Share Capital. This involves appropriate amendment to Article 3 of the Articles of Association as mentioned in the Special Resolution.

Resolution placed at item No 14 of the accompanying notice is recommended for your approval.

None of the Directors is in any way concerned or interested in the aforesaid resolution.

Mumbai, Dated: May 21, 2010.

REGISTERED OFFICE:

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

By Order of the Board

Bhavesh Ghaghda
Company Secretary