

### BOARD OF DIRECTORS

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

### Assistant Company Secretary

Ms. Dimple Mehta

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

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## NOTICE

**NOTICE** is hereby given that the 37<sup>th</sup> Annual General Meeting (AGM) of the members of Diamines and Chemicals Limited will be held at the Registered Office of the Company situated at Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346 on Thursday, the **25<sup>th</sup> day of July, 2013 at 2:30 p.m.** to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March 2013.
3. To appoint a Director in place of Mr. Amit Mehta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ghanashyam Govind Chendwankar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Govindarajapuram Seshadri 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, it thought fit, to pass, with or without modification (s), the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310 and 311, read with Schedule XIII, Article 102, 103, 144 of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and other statutory approval if any, Consent of the members of the Company be and is hereby accord to re-appoint Shri Girish R Satarkar as Executive Director of the Company for a period of three(3) years commencing from 1st April 2013 upto 31st March 2016, with a remuneration as recommended by the Remuneration Committee and approved by the Board of Directors of the Company and with such powers and duties as set out in the Explanatory Statement annexed hereto, with liberty to the Board of Director to vary the terms and conditions of the said re-appointment, as may be agreed between the Board Members of the Company and Shri Girish R Satarkar.

**RESOLVED FURTHER** that the remuneration and perquisites set out in the aforesaid in the Explanatory Statement be paid to Shri Girish R Satarkar as minimum remuneration for a period of three (3) years w.e.f. 1st April 2013, notwithstanding that in any financial year of the company during the aforesaid period, the Company has made no profits or the profits made are inadequate.

**RESOLVED FURTHER** that the remuneration and perquisites including the monetary value thereof as specified in the Explanatory Statement may be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 1956 or any amendments thereof or re-enactments thereof between the Company and Shri Girish R Satarkar be suitably amended to give effect to the same in such manner as may be agreed between the Board and Shri Girish R Satarkar.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized, to accept and alter and vary the terms and conditions of the said re-appointment and remuneration of Mr. Girish R Satarkar or any amendments or modifications that may hereafter be suggested thereto by the members in General Meeting.”

**Mumbai, Dated: May 7, 2013**

### **REGISTERED OFFICE:**

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

By Order of the Board

**Dimple Mehta**  
Assistant Company Secretary

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## NOTES:

1. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment for item no. 3 to 5, under Code of Corporate Governance and the relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business for item no. 7 to be transacted at the meeting, are annexed hereto.
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 MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY GIVEN HEREUNDER, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 12-07-2013 to 25-07-2013 (both days inclusive).
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending 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 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. to 1:00 p.m. up to the date of Meeting.
9. Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2013 when declared at the meeting will be paid on or after 5<sup>th</sup> August, 2013 :-
  - (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 (RTA) on or before 11.07.2013, 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 11.07.2013.
10. Members are requested to note that the final dividend for the year 2005-2006 which is not encashed for a period of 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investors Education and Protection Fund after 30.07.2013. Members who have not encashed their above Dividend Warrants may approach to the Company/RTA immediately for revalidation as otherwise no claim thereafter shall lie against the Fund or the Company in respect of such unclaimed Dividend Amount.
11. Please note that pursuant to section 205 C of the Companies Act, 1956 all unclaimed / unpaid dividends upto January, 2006 has been transferred to the account of Central Government.
12. As mandated by the Securities and Exchange Board of India (SEBI), the Company will be providing NECS (National Electronic Clearing Services) 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. Members are encouraged to utilise the Electronic Clearing Services / System (ECS), for receiving dividend, in case the Shares are held in dematerialized form.
13. 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.
14. 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.



15. 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 RTA:  
**M/s. MCS Limited,**  
1st Floor, Neelam Apartments,  
88, Sampatrao Colony, Vadodara 390 007  
Telephone (0265) 2339397 / 2314757  
Fax: (0265) 2341639  
email: [mcsltbaroda@yahoo.com](mailto:mcsltbaroda@yahoo.com)
16. 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.**
17. 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 RTA on request. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
18. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS, for consolidation into a single folio.
19. The Company has made bonus issue of equity shares at the AGM held on 12th July 2011 and has made an allotment of Bonus shares on 21.07.2011 to the shareholders, who were eligible. The Company's RTA has given three reminders from time to time to such shareholders at their latest address/es available with the Company's RTA. However, there are still such bonus shares which are unclaimed with the Company's RTA. Pursuant to Clause 5A of the Listing agreement, shares which are unclaimed after necessary reminders given to the shareholders, shall be credited to "Demat Suspense Account". The Company has already approached to the RTA for complying with Clause 5A of the listing agreement and the said matter is already under process. Hence, the Company request to such shareholders, who have not yet claimed such bonus shares, shall communicate the Company's RTA and claim such shares at their end on or before 31.10.2013.
20. As per the Circular of the Ministry of Corporate Affairs of "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Members, who hold the shares in dematerialized form are requested to register their email ids with their depository participants and the members holding the shares in physical form, are requested to register their email ids with the Company's RTA on the address given above.
21. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

**Mumbai, Dated: May 7, 2013**

**REGISTERED OFFICE:**

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

By Order of the Board

**Dimple Mehta**  
Assistant Company Secretary

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## ANNEXURE TO THE NOTICE

### **Explanatory statement under Corporate Governance.**

#### **ITEM NO.3:**

Mr. Amit Mehta retires by rotation at the ensuing AGM, and being eligible, has offered himself for re-appointment.

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 59 years, is a successful businessman, having over 38 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 (I) Pvt. Ltd.                | 2. S. Amit Speciality Chemicals Pvt. Ltd.   |
| 3. Insight Health Scan Pvt. Ltd.           | 4. Reaxa Chemistry Solution Pvt. Ltd.       |
| 5. Topnotch Reality Pvt. Limited           | 6. Hi-End Property Developers Pvt. Ltd.     |
| 7. Pinami Reality Pvt. Ltd.                | 8. Capelin Investment and Trading Pvt. Ltd. |
| 9. Diamines Speciality chemicals Pvt. Ltd. | 10. Finorga (I) Pvt. Ltd.                   |
| 11. Value Healthcare Ltd.                  | 12. Reaxa 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 re-appointment.

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 AGM, and being eligible, has offered himself for re-appointment.

Mr. G. G. Chendwankar has been on the Board of the Company since, March 14, 2001. Mr. G. G. Chendwankar aged 74 years, is a post graduate in personnel management and has more than 46 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.

Mr. G. G. Chendwankar holds 28,345 equity shares in the Company and he 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 re-appointment.

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 AGM, and being eligible, has offered himself for re-appointment.

Mr. G. S. Venkatachalam has been on the Board of the Company since, May 12, 2008. Mr. G.S. Venkatachalam, aged 58 years, is a Chartered Accountant and has about 25 years of experience in various industries in India and abroad.

Mr. G. S. Venkatachalam holds 1,233 equity shares in the Company and he 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 re-appointment.

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

#### **ITEM NO. 7:**

Shri Girish R Satarkar has re-appointed as Executive Director of the Company for a period of **three (3) years w.e.f. 1<sup>st</sup> April 2013** with such remuneration and other terms & condition as approved by Board of Directors at the Board Meeting held on 1<sup>st</sup> February 2013. The Remuneration Committee has considered the matter and recommended the reappointment of him to the Board, subject to the approval of members under various Sections of the Act read with Schedule- XIII of the Companies Act, 1956. He is possessing Master of Science (Technology) or M.Sc. (Tech) in Textiles Chemistry (from UDCT, now known as ICT) and Masters in Marketing Management, from Mumbai University, having more than 23 years of experience in his core area of competence, Sales & Marketing (Industrial), and has wide exposure to domestic and international markets. such as textile, engineering, chemical, petrochemical etc. He had been on various managerial and senior management positions for more than 10 years. He is with company as Executive Director of the Company since 13<sup>th</sup> April 2010. In view of the manifold increase in role and his responsibility, the Board approved the re-appointment of Shri Girish R Satarkar as a Executive Director for a period of three (3) years w.e.f. 1<sup>st</sup> April 2013. The details of the remuneration payable to Shri Girish R Satarkar, as Executive Director as contained in the Explanatory Statement are set out below:

**A. Basic Salary:** ₹ 1,40,000/- to ₹ 2,00,000/- Per Month

**B. Perquisites/Amenities:**

- (i) **HRA:** ₹ 56,000/- per month (not exceeding 40% p.m. of the Basic Salary)
- (ii) **Medical reimbursement:** Reimbursement of actual medical expenses/premium on Mediclaim policy, incurred for self and family not exceeding ₹ 48,000/- per annum
- (iii) **Leave Travel Concession:** Reimbursement of actual expenses for self and family once in a year to and fro to any place not exceeding ₹ 54,000/- per annum.
- (iv) Company's Contribution to **Provident Fund** as per rules of the Company (not exceeding 12% p.m. of the Basic Salary) and Superannuation fund as per rules of the Company (not exceeding 8.33% [approximate] of the Basic salary)
- (v) **Gratuity** as per the rules of the Company (not exceeding 4.81% p.m. of the Basic Salary)
- (vi) **Driver Allowance** not exceeding ₹ 8,000/- per month
- (vii) Full use of Company car and driver,
- (viii) **Leave with full pay** and encashment of leave at the end of tenure.
- (ix) **Other Perquisites:**  
Subject to overall ceiling on remuneration mentioned in Schedule XIII of the companies Act, 1956, he may be given any other allowances, benefits and perquisites as the Board of Directors may decide from time to time.
- (x) 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, provided that the total remuneration shall not exceed the ceiling limit mentioned in Schedule XIII of the Companies Act, 1956.

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

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

Mr. Girish R Satarkar holds 675 equity shares in the Company and he does not hold directorship in any other company.

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

**This statement containing following information is given as per Clause-B of section II of part II of Schedule XIII of the Companies Act, 1956.**

I.	GENERAL INFORMATION:															
(1)	Nature of Industry	Manufacturing range of Ethylene amines at its factory situated at Plot. No. 13, P.C.C Area, P.O. Petrochemicals, Baroda – 391 346.														
(2)	Date of commencement of commercial production.	Existing Company and hence not applicable.														
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Existing Company and hence not applicable.														
(4)	Financial Performance based on given indicators. (As at 31st March 2013)	<table><tr><td>Particulars</td><td>₹ in Lacs</td></tr><tr><td>Turnover (Net Sales)</td><td>6411.36</td></tr><tr><td>Operating Profit</td><td>834.83</td></tr><tr><td>Net Profit Before Tax</td><td>170.04</td></tr><tr><td>Debt Equity Ratio</td><td>0.51</td></tr><tr><td>Current Ratio</td><td>1.04</td></tr><tr><td>Net Worth</td><td>3446</td></tr></table>	Particulars	₹ in Lacs	Turnover (Net Sales)	6411.36	Operating Profit	834.83	Net Profit Before Tax	170.04	Debt Equity Ratio	0.51	Current Ratio	1.04	Net Worth	3446
Particulars	₹ in Lacs															
Turnover (Net Sales)	6411.36															
Operating Profit	834.83															
Net Profit Before Tax	170.04															
Debt Equity Ratio	0.51															
Current Ratio	1.04															
Net Worth	3446															
(5)	Export Performance	The Company has achieved export Turnover FOB value of ₹ 297 Lacs for the financial year ended on 31.03.2013														
(6)	Foreign Investments or collaborators, if any	None														
II.	INFORMATION ABOUT THE APPOINTEE:															
(1)	Background Details	Shri Girish R Satarkar age 49 years, possesses Master of Science (Technology) or M.Sc. (Tech) in Textiles Chemistry (from UDCT, now known as (ICT) and Masters in Marketing Management, from Mumbai University, having more than 23 years of experience in his core area of competence, Industrial Marketing. He is with company since 15 <sup>th</sup> October, 2008. 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. With the help of his technical qualification and industrial marketing background, he has been instrumental in introducing various products and has helped in increasing the market shares and adding up capacities in various positions in different companies. He has wide experience of dealing in different industrial products such as Dyestuffs, Pigments, Textile Chemicals, Paints & Polymer Additives and specialty chemicals. Besides his core area of operations i.e. Marketing he was actively involved in other important functions such														



		as Administrator, Procurement, Vendor Development, Supply Chain Management and Logistics, Production Planning and in managing finance also. Thus, he has got insight and over view of major management functions. He is a widely-travelled person and has visited more than 14 countries giving him opportunity to enrich his experience in a variety of fields.
(2)	Past Remuneration	Remuneration paid for the Financial year 2012-13 was ₹ 24.81 Lacs.
(3)	Recognition or Awards	None
(4)	Job Profile and his suitability	Shri Girish R Satarkar as an Executive Director, is responsible for the day to day management of the Company and assisted by Senior Executives. He is working under the superintendence and control of the Board of Directors. He is responsible for all the day to day activities of the Company. He has vast experience in marketing, and effective policy formulations for efficient and smooth running of the company. He has wide knowledge of the industry and markets that the company operates in and has been instrumental in growth story of the company over the last few years.
(5)	Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is commensurate with skills and experience of the appointee. Shri Girish R Satarkar has been re-appointed as Executive Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is not directly and/or indirectly related with Promoters and/or Directors of the Company.
III.	OTHER INFORMATION:	
(1)	Reasons of loss or inadequate profits.	Before acquisition of the Company, the Company was a Sick Company, having incurred huge losses. The losses or the inadequate profits presently shown in the Balance Sheet of the Company are the previous year's losses i.e. losses before acquisition of the Company by the present promoters.



	(2)	Steps taken or proposed to be taken for improvement	Since the acquisition the Company, it has been putting all its efforts, to improve its financial position. Efforts taken for cost cutting to improve margins. Search for improved quality and value added products.
	(3)	Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Chemical Industry.
<b>IV. DISCLOSURES:</b>			
	(1)	The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable <i>has been made</i> in the Annual Report of the Company for the Financial Year 2012-13, <i>wherever applicable</i> .	

Re-appointment of Shri Girish R Satarkar as Executive Director of the company requires special majority of the members under Section 198, 269, 309, 310 and 311 read with provisions of sub-clause (B) of section II of part II of Schedule XIII of the Companies Act, 1956, for payment of remuneration. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

Consequently the said resolution for re-appointment of Shri Girish R Satarkar as Executive Director for a period of three (3) years w.e.f. 1<sup>st</sup> April 2013 on the remuneration as set out in the Explanatory Statement, requires approval of Members in General Meeting with special majority. Hence, your directors recommend the resolution for your approval.

As the resolution for re-appointment has been proposed for period of three (3) years w.e.f. 1<sup>st</sup> April 2013 with remuneration within the limits prescribed under Sub-Clause-B of section II of part II of Schedule XIII of the Act, calculated with reference to effective capital and hence the approval of Central Government is not required.

None of the Directors is in any way concerned or interested in the aforesaid resolution except Shri Girish R Satarkar and recommend your acceptance thereof in the interest of the Company.

The notice and explanatory statement may be treated as an abstract of terms and memorandum of interest under section 302 of the Companies Act, 1956, regarding re-appointment of Shri Girish R Satarkar as Executive Director of the Company to be circulated to the shareholders of the company and the requirement of the said act may be deemed to have been sufficiently complied with.

**Mumbai, Dated: May 7, 2013**

**REGISTERED OFFICE:**

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

By Order of the Board

**Dimple Mehta**  
Assistant Company Secretary

## DIRECTORS' REPORT

To the Members,

Your Directors present their **37<sup>th</sup> Annual Report** together with the audited accounts for the financial year ended **31st March, 2013**.

### 1. FINANCIAL RESULTS:

	<b>(₹ in Lacs)</b>	
	<b>Current Year 31.03.13</b>	<b>Previous Year 31.03.12</b>
Total Income (Gross)	<b>6411.36</b>	7290.35
Operating Profit before interest and depreciation	<b>834.83</b>	1077.91
Interest and other financial charges	<b>381.12</b>	358.66
Profit before depreciation	<b>453.71</b>	719.25
Depreciation & Amortization	<b>238.70</b>	215.80
Profit after interest & depreciation	<b>215.01</b>	503.45
Less: Provision for taxation	<b>44.97</b>	143.03
Profit after Tax available for distribution	<b>170.04</b>	360.42
Proposed Dividend (including Dividend Tax)	<b>57.22</b>	113.70
Balance of P&L A/c for the year	<b>112.82</b>	246.72
Credit balance of P&L A/c carried forward from last year	<b>1528.17</b>	1281.47
Profit/ (Loss) carried to Balance Sheet.	<b>1640.99</b>	1528.17

### 2. OPERATIONS:

Your Company's total revenue for the year 2012-13 (net of excise) amounted to ₹ 5763.32 lacs as compared to ₹ 6723.86 lacs of last year. The result for the year shows net profit after tax of ₹ 170.04 lacs as compared to the net profit of ₹ 360.42 lacs in the previous year.

Further details of operations are given in the management discussion and analysis report, which forms part of this report.

### 3. DIVIDEND:

Considering the financial results achieved during the year under review, the Board of Directors has recommended the dividend on 97,83,240 Equity shares @ 5% {₹ 0.50 per share (5%) Previous Year ₹ 1/- per share (10%)} for the financial year 2012-13 out of the net profit available for distribution.

### 4. TRANSFER TO STATUTORY RESERVE

In accordance with the statutory provisions and companies (Transfer of Profit to Reserves) Rules, 1975, the Company was not required to transfer any profit to Reserves during the period under review.

### 5. FIXED DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and Rules made there under during the year.

### 6. CORPORATE GOVERNANCE:

As per various amendments made in clause 49 of the Listing Agreement the Company has adopted the Code of conduct which is also available on the website of the Company. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct.