

45th
ANNUAL REPORT
2020 – 2021



Diamines and Chemicals Limited
CIN NO: L24110GJ1976PLC002905

DIAMINES AND CHEMICALS LIMITED

FINANCIAL HIGHLIGHTS OF THE LAST DECADE

FINANCIAL PERFORMANCE OF THE LAST DECADE											
FINANCIAL YEAR ENDING	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	31.03.2020	31.03.2021
TOTAL REVENUE (INCLUDING EXCISE DUTY)	9119.77	7315.43	6411.36	4947.08	4338.38	3984.76	3882.38	4,001.11	4,828.11	7,138.46	6,536.95
OPERATING PROFIT (LOSS)(PBIDT)	2515.40	1077.91	834.83	620.22	514.09	482.18	940.97	1,203.24	1,989.61	3,731.61	2,770.48
PROFIT (LOSS) BEFORE INCOME TAX	2028.43	503.45	215.01	79.31	(29.75)	8.52	573.59	823.93	1781.91	3517.34	2584.39
PROFIT (LOSS) AFTER INCOME TAX	1470.99	360.42	170.04	75.04	(155.38)	25.33	479.81	708.90	1313.18	2398.58	2103.37
GROSS FIXED ASSETS	5782.02	6333.72	6454.92	6535.36	6536.99	6532.37	2,739.18	2,802.00	3,036.54	3,291.61	3,808.79
NET FIXED ASSETS	3124.11	3450.15	3323.45	3151.35	2929.99	2733.10	2544.58	2413.87	2444.90	2444.91	2246.56
NET CURRENT ASSETS	63.80	179.35	89.98	235.96	387.80	304.52	1617.33	2011.26	2641.79	4523.11	5076.30
EQUITY SHARE CAPITAL	652.22	978.32	978.32	978.32	978.32	978.32	978.32	978.32	978.32	978.32	978.32
RESERVES & SURPLUS (excluding revaluation reserve)	2128.49	2049.10	2161.92	2236.96	2070.24	2103.10	2779.26	3282.66	3902.71	5539.65	7524.25
BOOK VALUE (Rs.)	42.63	30.94	32.10	32.87	31.16	31.50	38.40	43.55	49.89	66.62	86.91
EARNING PER SHARE (Rs.)	22.55	3.68	1.74	0.77	(1.59)	0.26	4.90	7.25	13.42	24.52	21.50
EQUITY DIVIDEND (%)	60%	10%	5%				15%	25%	50%	80%	50%

Notes:

1. Figures are rupees in lacs except book value and earning per share which are absolute rupee value per equity share and proposed dividend which is in percentage on equity share nominal value.

2. Figures from the year ended 31st March, 2017 Onwards are as per Ind AS.

3. The Company has recognised impairment provision of ₹ 118.70 Lakhs on power generation segment (Wind Turbine Generator) & recognised impairment provision of ₹ 14.50 Lakhs on NIMP Project Plant, related Machineres & Equipment ("NIMP Plant") for the year ended on 31st March, 2021.

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905

**BOARD OF DIRECTORS**

Mr. Amit Mehta (w.e.f. 01.04.2020)	Executive Chairman
Mr. G. S. Venkatachalam	Executive Director
Mr. Rajendra Chhabra (w.e.f. 06.11.2020)	Professional Director
Mr. Dhruv Mehta	Independent Director
Dr. Ambrish Dalal	Independent Director
Mrs. Kejal Pandya	Independent Director

Mr. Dipen Ruparelia
Chief Financial Officer

Ms. Hemaxi Pawar
Company Secretary

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) 3534200 Fax: (91) (0265) 2230 218
Email: info@dacl.co.in Web Site: www.dacl.co.in

Registrar & Share Transfer Agent

M/s Link Intime India Pvt. Ltd.
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 45th (Forty-Fifth) Annual General Meeting (AGM) of the members of M/s. Diamines and Chemicals Limited will be held Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) on Tuesday, the 20th Day of July, 2021 at 12.00 Noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended on March 31, 2021 together with the Reports of the Board of Directors' and Auditors' thereon including the audited consolidated financial statements of the Company for the year ended on March 31, 2021.
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 declare Final Dividend of ₹ 5/- per Ordinary (Equity) share of ₹ 10/- each for the financial year 2020-2021.

SPECIAL BUSINESS:

4. Ratification of Remuneration to Cost Auditor

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration of ₹ 45000/- (Rupees Forty Five Thousand only) (Inclusive of all) plus applicable taxes, to M/s. Diwanji & Co., Cost & Management Accountants, Vadodara (Firm Registration No. 000339) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2021-22."

5. Re-appointment of Mr. G. S. Venkatachalam as an Executive Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013, read with Schedule V and other applicable provisions of the Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to any other approval/(s) as may be necessary, in consideration of the recommendation of Nomination and Remuneration Committee and further approval of Board of Directors, the Company hereby approves the terms of re-appointment and remuneration of Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898) as an Executive Director of the Company for a further period of 3 (Three) years from February 07, 2021 to February 6, 2024, on terms and conditions and duties as set out in the agreement as placed before the members duly



initialed by the Chairman for the purpose of identification with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment as may be mutually agreed between the Board and Mr. Govindarajapuram Seshadri Venkatachalam, liable to retire by rotation.”

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

“RESOLVED FURTHER THAT Mr. Amit M. Mehta, Executive Chairman of the Company be and is hereby authorized to enter into an agreement on behalf of the Company with Mr. G. S. Venkatachalam in terms of the aforesaid draft agreement with modifications if any, and that the common seal of the Company be affixed thereto in the presence of Mr. Amit M. Mehta, Executive Chairman of the Company.”

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

6. Appointment of Mr. Rajendra Chhabra as Non-Executive Director in the category of Professional Director and to approve payment of fees/compensation

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

“RESOLVED THAT pursuant to the provisions of regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, Companies Act, 2013 read with rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), if any, and subject to any other approval/(s) as may be necessary, in consideration of the recommendation of Nomination and Remuneration Committee and further approval of Board of Directors, the Company hereby approves the term of appointment of Mr. Rajendra Chhabra as Non-Executive Director in the category of Professional Director on the Board of the Company for the period of 3 years w.e.f. November 06, 2020 with such consulting fees/compensation as may be agreed by and between Board and Mr. Chhabra, and whose term shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters as may be deemed necessary and expedient in this regard.”



7. To approve Remuneration already paid to Mr. Rajendra Chhabra as Non-Executive Director in the category of Professional Director exceeding fifty per cent of the total Remuneration/compensation/fees payable to all the Non-Executive Director of the Company for the financial year 2020-21

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

“RESOLVED THAT pursuant to Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof for the time being in force and other applicable provisions, if any, of the Companies Act, 2013 the consent of the members be and is hereby accorded for the remuneration/compensation/fees paid to Mr. Rajendra Chhabra as Professional Director starting with effect from November 6, 2020 to March, 31 2021 which is exceeding fifty per cent of the total remuneration paid to all other Non-Executive Directors of the Company for that year.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters as may be deemed necessary and expedient in this regard.”

8. To approve payment of Remuneration of Mr. Rajendra Chhabra as Non-Executive Director in the category of Professional Director exceeding fifty per cent of the total Remuneration/compensation/fees payable to all other Non-Executive Director of the Company for the financial year 2021-22

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

“RESOLVED THAT pursuant to Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof for the time being in force and other applicable provisions, if any, of the Companies Act, 2013 the consent of the members be and is hereby accorded for the remuneration/compensation/fees payable to Mr. Rajendra Chhabra as Professional Director for the financial year 2021-22, which may be exceeding fifty per cent of the total remuneration paid to all other Non-Executive Directors of the Company for the said period.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters as may be deemed necessary and expedient in this regard.”

9. Commission to Non-Executive Directors

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

“RESOLVED THAT pursuant to the provisions of Section 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013, and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to all the statutory permissions, sanctions and approvals of any statutory authority(ies), 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 197 of the Act, computed in manner specified in the Act, for a period of 5 (Five) years from the financial year commencing from 1st April, 2021, in such manner and upto such extent as the Nomination and 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 Nomination and 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."

10. To approve 'DACL - Employees Stock Option Plan 2021'

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

"RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013 ("the **Act**") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the **SEBI SBEB Regulations**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **SEBI LODR Regulations**"), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as "**the Board**") which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the 'DACL - Employees Stock Option Plan 2021' ("**ESOP - 2021**") the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "**Employees**") selected on the basis of criteria decided by the Board under the ESOP-2021, such number of stock options convertible into Equity Shares of the Company ("**Options**"), in one or more tranches, not exceeding 2,00,000 (Two Lakhs) equity shares of face value of ₹ 10/- each (Rupees Ten), at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP-2021, and all provisions of applicable laws."



“RESOLVED FURTHER THAT the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP-2021 and such equity shares shall rank *pari-passu* in all respects with the then existing equity shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP-2021 and the exercise price of Options granted under the ESOP-2021 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per equity share bears to their revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP-2021.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOP-2021, determine the detailed terms and conditions of the aforementioned ESOP-2021 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at price, at such time and on such terms and conditions as set out in the ESOP-2021 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.”

“RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI SBEB Regulations for the purposes of administration of ESOP-2021.”

“RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2021 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP-2021 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.”



“RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP-2021 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI SBEB Regulations, the SEBI LODR Regulations and other applicable laws and regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP-2021 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

11. To extend approval of ‘DACL - Employees Stock Option Plan 2021’ to the employees of Holding Company and its Subsidiary Company (ies)

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

“RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013 (“the Act”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the **SEBI SBEB Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **SEBI LODR Regulations**”), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the **Board**”, which term shall be deemed to include any Committee including the Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the Shareholders be and is hereby accorded to extend the benefits of ‘DACL - Employees Stock Option Plan 2021’ (“**ESOP- 2021**”) proposed in the resolution number 10 above to such persons who are in the permanent employment of the Holding Company and its subsidiary company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), whether working in India or out of India and to the directors of the Holding Company or its Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP– 2021.”



“RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP– 2021 from time to time or to suspend, withdraw, or revive ESOP– 2021 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.”

12. Grant of Options to issue securities equal to or exceeding One per cent but not exceeding Two per cent of the issued Capital of the Company during any One financial year to identified employees under DACL - Employees Stock Option Plan 2021

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and notwithstanding ceiling limit for Grant of Option during any one Financial Year to any employee or director of the Company and its Holding Company or its Subsidiary Company not exceeding One per cent of the issued Capital of the Company, consent of the Shareholders be and is hereby accorded for Grant of options to identified employees under **‘DACL - Employees Stock Option Plan 2021 (ESOP – 2021)’** during any One year, equal to or exceeding One per cent but not exceeding Two per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of option in one or more tranches, on such terms and in such manner as stated in **‘DACL - Employees Stock Option Plan 2021’**.”

Place: Mumbai

Date: June 16, 2021

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. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the