



PERSEVERANCE

Quest for Recovery



The logo portrays a diya whose constituents are an earthen pot, ghee, a wick and a flame. Our actions (symbolized by the ghee) will remain within the boundary of ethics (symbolized by the earthen pot) and we will through hard work (symbolized by the wick) achieve our purpose (symbolized by the flame).

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Failure is not falling down
but refusing to get up

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Forward Looking Statements

In this Annual Report, we have shared information and made forward looking statements to enable investors to know our product portfolio, business logic and direction and thereby comprehend our prospects. Such and other statements - written and oral - that we may periodically make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'intend', 'plan', 'project' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized although we believe we have been prudent in our assumptions. The achievement of results is subject to uncertainties, risks and even inaccurate assumptions. If uncertainties or known or unknown risks materialize or if underlying assumptions prove inaccurate, actual results can vary materially from those anticipated, estimated, intended, planned or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



2010-11 in Retrospect

Initiatives taken to improve performance

- Supplying excess steam to a neighbouring plant in Ankleshwar
- Raising the overall capacity of Sulphuric Acid plant
- Increasing volume of Sulphur Trioxide, a value added product

Appointments effected to strengthen the Board

- Mr Naresh Singhal as the Chairman of Audit Committee
- Mr Sujal Shah as a Member of the Board and Audit Committee
- Mr Abhay Jadeja as a Member of the Board and Audit Committee

Initiatives underway to improve performance

- Become significantly self-sufficient in electricity
- Extract additional waste heat
- Recover and use steam condensate

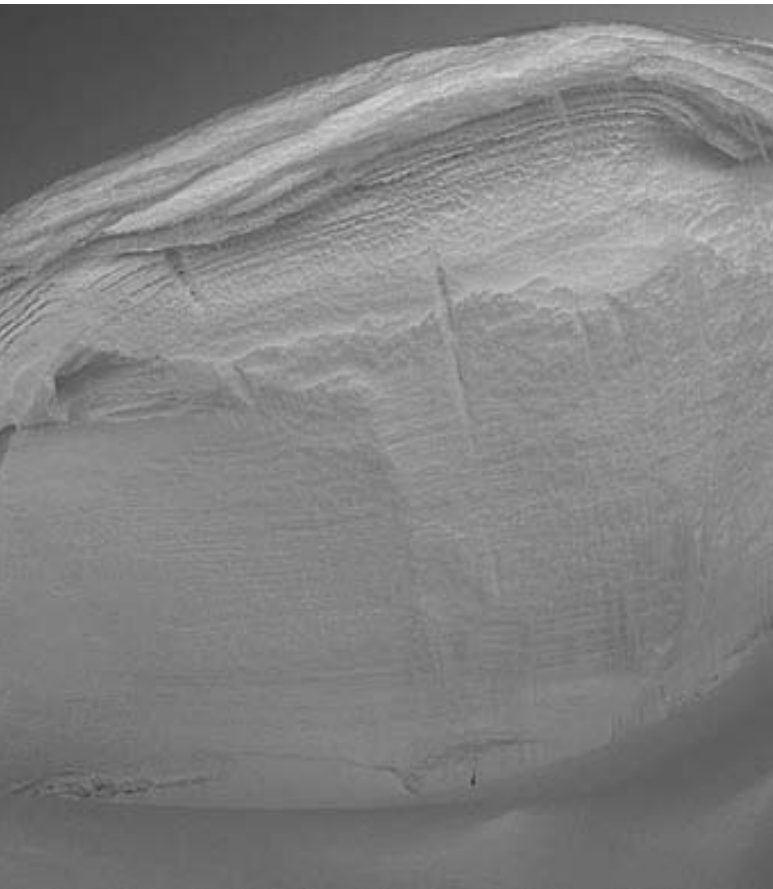
Energised by Purpose



We are a company committed to significantly enhancing value for all our stakeholders by:

- fostering a spirit of continuous learning and innovation,
- using science and technology in a responsible way,
- providing high quality products and services, and becoming the most preferred partner,
- having people who practice Values and high standards of behaviour,
- seeking sustained, dynamic growth and securing long-term success,
- taking responsible care of the surrounding environment and
- improving the quality of life of the communities we operate in.

Propelled by Values



In an environment where change is a way of life, continuity of Values is fundamental to us. We have therefore formalised key Values and are committed to institutionalise them.

We will seek to create an environment wherein these Values are consistently practised and nurtured and ensure that they are not compromised to realise short-term gains.

Integrity

The foundation of every relationship is trust, and trust is based on Integrity. Integrity means working with honesty, following the highest standards of professionalism. Integrity is when our decisions and actions remain consistent with our thoughts and words, written or spoken.

Understanding

How well one works with others depends on his (her) ways to connect, and this in turn is based on his (her) level of Understanding of human relationships. Understanding does not mean accepting poor performance, but it means doing it the right way. Understanding is not only an external manifestation, but also an internal realisation.

Unity

Living in a state of oneness brings Unity. Unity means working together and taking advantage of synergy while harnessing unique abilities of each individual to achieve a larger goal. Unity is the realisation that though we may work in different areas, we are finally interconnected and that interdependence is a higher order of living than independence; though we may be many, we share a common destiny.

Responsibility

Responsibility implies doing whatever it takes to deliver value and taking ownership of our actions. Responsibility must also give rise to the realization that what is good for the business must be in the overall good; in other words, working in the spirit of trusteeship not only for the shareholders, but also for other stakeholders such that ultimately what comes from the society goes back to it many times over.

Excellence

Excellence is a drive that is more from inside than outside; it is about one seeking to continuously improve and better performance. Excellence means endeavouring to achieve the highest possible standards in our day to day work; it means to develop an inspiring vision and realise it. In many ways, Excellence is also a journey, not simply a destination in itself.

Overview by the Chairman and the Managing Director

Dear Shareholders,

In our letter last year, we had reaffirmed our commitment to turn around Amal. We had shared with you some of the initiatives we will take to create long-term value, and we are happy that we have remained on course against odds, and as we write this letter, we have completed implementation of the 3 initiatives as mentioned on page 1 of this Annual Report. We trust these and further initiatives will show their impact in the months ahead and help in our endeavour to accomplish a decisive turnaround in a difficult situation.

Our Company manufactures and markets in all 5 products, namely Sulphuric Acid 98%, Oleum 65%, Oleum 25%, Sulphur Trioxide and Sulphur Dioxide. Barring Sulphur Dioxide and to some extent Sulphur Trioxide, both of which have low demand, the other products are commodity in nature whose prices and contributions fluctuate significantly. The price of key raw material, Sulphur, also varies from month to month. In essence, the way to succeed in these products is to ensure full deployment of steam (a byproduct), excellent conversion efficiency and high capacity utilization.

It may not be out of place to mention that as we write this letter, the price of Sulphur is at a high and the prices of the aforementioned products have not kept pace with it. Consequently, the

contribution margins of the products have touched their lowest and the business is unlikely to generate the anticipated profit in Quarter 2. We are nonetheless pursuing the other initiatives which are in the long-term interest of the Company even if the recovery may take more time than earlier envisaged.

During 2011-12, in addition to taking the aforementioned 3 initiatives, we have already identified and taken up implementation of 3 more initiatives, as mentioned on page 1, which will require marginal investments. Once completed, these initiatives will help in further improving manufacturing efficiency and competitiveness. In essence, at this time, we are making investments to first obtain value so far unrealized from the existing investments. These initiatives form Phase 1 of our strategy.

At the same time, we are exploring and evaluating new value added products in our chosen areas with relatively low investments so that we do not become highly leveraged. We had considered manufacturing a chemical intermediate used in the Pharmaceutical industry, as mentioned in our letters to you in the last Annual Report. We have not gone ahead with the project as we are revalidating its long-term viability in view of changed circumstances. We will have more clarity about such investments, which form Phase 2 of our strategy, during 2011-12.



We are currently taking initiatives to ensure that we make our operations most efficient and optimum with minimum investments. This will then give us the foundation to build further and secure sustainable growth.



We have during the year made further changes in the Board of our Company. We have appointed Mr Sujal Shah, a reputed Chartered Accountant, and Mr Abhay Jadeja, a reputed Solicitor, as two additional Independent Directors. Along with Mr Naresh Singhal (as the Chairman), they form the Audit Committee of our Company. During the year, Mr Mrighank Dutta, Dr Rana Vishnoi, Mr Ghanshyam Parekh and Mr Bharat Trivedi resigned from the Board, and we wish to thank them for their valuable contribution.

We wish to take this opportunity to thank the Independent Directors for their significant involvement and guidance not only for improving the performance of our Company, but also

to establish and institutionalize processes to enhance Corporate Governance. On behalf of all our colleagues on the Board, we wish to thank the customers for their support and employees for their commitment and dedication and for identifying and executing several improvement measures.

We look forward to your understanding in our quest for recovery.

With best wishes,
Sincerely,

(Vasudev Koppaka)
Managing Director

(Sunil Lalbhai)
Chairman

Directors' Report



Dear Members,

The Board of Directors of Amal Ltd present the Annual Report of the Company together with the audited statement of accounts for the year ended March 31, 2011.

Financial Results

(₹ thousands)

	2010-11	2009-10
Net Sales	1,31,882.00	49,947.33
Other income	108.00	2,530.89
Total income	1,31,990.00	52,478.22
Profit (Loss) from operations before tax	-37,377.00	-9,267.26
Add: Write back of balances and prior period provisions not required	3,483.00	-
Less: Write off of balances and short provisions of prior period	3,256.00	-
Add (Less) tax expenses	-	320.52
Add: Write back on settlement with unsecured creditors	-	46,701.64
Profit (Loss) after tax	-37,150.00	37,754.90
Balance in Profit and Loss Account brought forward	-388,425.35	-556,144.83
Balance in Profit and Loss carried forward	-425,575.35	-518,389.93
Adjustments		
Less: Waiver from secured loan	-	59,155.99
Less: Restructure of reserves and surplus	-	70,808.59
Accumulated loss after adjustment of general reserve	-425,575.35	-388,425.35



Dividend

The Company incurred loss from operations of ₹ 373.77 lacs. The Board regrets its inability to recommend any dividend considering the loss from operations for the year and also the accumulated loss of ₹ 4,255.75 lacs as on March 31, 2011.

Finance

The Company has started its operations without any borrowing from the banks or financial institutions. It will obtain loans from bank(s) for working capital and for executing new projects after obtaining the requisite approvals.

Safety, Health and Environment (SH&E)

The Company accords high priority to SH&E. The Company has its own effluent treatment plant at Ankleshwar designed to fully comply with the norms stipulated by the Gujarat Pollution Control Board. The treated water is discharged into common effluent discharge pipeline of Narmada Clean Tech Ltd.

BIFR Status

The BIFR vide its order dated July 16, 2009 had sanctioned a revival scheme for the Company, and the same was modified vide order dated June 18, 2010. As per the sanctioned scheme, the following steps were taken:

- Settled majority of unsecured creditors at 30% of the Principal dues
- Issued Redeemable Preference Shares of ₹ 10 crores to Atul Ltd
- Enhanced capacity of Sulphuric Acid plant to 120 mt per day

Subsequently, the Appellate Authority of Industrial and Financial Reconstruction (AAIFR) vide its order dated March 22, 2011 allowed the Appeal filed with it and remanded the case back to the BIFR for considering a revival scheme through an Operating Agency. Accordingly, a new Draft Rehabilitation Scheme was submitted by the Company to BIFR in June 2011 for its review and approval.

Insurance

The Company has taken adequate insurance to cover the risks to its people and plant & machinery, buildings and other assets and third parties.

Directors

The status of the Board of Directors since the last Annual Report till the date of this Report is as under:

During the year Mr Mriganka Dutta, Dr Rana Vishnoi, Mr Ghanshyam Parekh and Mr Bharat Trivedi resigned. The Board places its appreciation of the contribution made by them during their tenure.

Mr Naresh Singhal, Mr Sujal Shah and Mr Abhay Jadeja joined the Board of the Company as Non-executive Independent Directors.

Appointment of Mr Singhal as Director was approved by the Members in the last Annual General Meeting (AGM) held on September 24, 2010.

The term of Mr Shah and Mr Jadeja as Additional Directors ceases in the ensuing AGM. Accordingly, their reappointment as Directors is proposed in the AGM Notice.

According to Article 134 of the Articles of Association of the Company, Mr T R Gopi Kannan retires by rotation and being eligible offers himself for reappointment at the forthcoming AGM scheduled on August 09, 2011.

Management Committee

The day-to-day management of the Company is vested with the Management Committee which is headed by Mr Vasudev Koppaka as the Managing Director with functional heads as its Members.

Corporate Governance

A Report on Corporate Governance along with a certificate from the Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement is annexed.

Information regarding conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earnings and Outgo

During the year, there were no employees drawing remuneration exceeding the limits been prescribed under Section 217(2A). Information required under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the

Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 as amended from time to time, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv), the report and accounts are being sent to all the Shareholders excluding the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo. Any Shareholder interested in obtaining such information | particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that to the best of their knowledge and belief

- (i) In the preparation of the annual accounts, the applicable Accounting Standards were followed.
- (ii) Such accounting policies were selected and applied consistently and such judgements and estimates were made that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2011 and of the loss of the Company for the year ended on that date.
- (iii) Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding

the assets of the Company and for preventing and detecting fraud and other irregularities.

- (iv) The Company has restarted its manufacturing operations at Ankleshwar site and intends to expand and diversify its operations as per the proposal submitted to the BIFR. As such, it is considered as a going concern and the attached annual accounts for the year ended March 31, 2011 were prepared on a going concern basis.

Auditors

Haribhakti & Co, the Statutory Auditors will retire at the conclusion of the ensuing AGM. They have given their consent to continue to act as the Statutory Auditors for 2011-12, if appointed.

Acknowledgements

The Board of Directors expresses its sincere thanks to all the customers, employees, investors, suppliers and Stock Exchanges for their continuing support.

For and on behalf of the Board of Directors

Atul
May 14, 2011

Sunil Lalbhai
Chairman



The Company manufactures Sulphuric Acid, Oleum 65%, Oleum 25%, Sulphur Trioxide and Sulphur Dioxide at its manufacturing site at Ankleshwar. These are bulk chemicals which find their use in several industries like Dyes, Fertilizer, Personal Care, Petrochemical, Pharmaceutical, Textile, etc. These chemicals are generally sold locally and that too within a radius of 150 km from the manufacturing site.

Sales for the year 2010-11 grew from ₹ 499 lacs to ₹ 1319 lacs. During 2009-10, income was generated more via 'job work' than sales, and the figures for the two years may not be strictly comparable.

The current global demand for Sulphuric Acid is reported to be 120 million mt per annum, assuming demand equals production and at an average growth of 6-7% per annum, the global demand for Sulphuric Acid is estimated to be around 145 million mt per annum valued at US\$ 11.28 bn by 2013* with Fertilizer industry contributing to 65% of the consumption. There are about 45 manufacturers of Sulphuric Acid in India accounting for 7.90 million mt per annum of production. The western region accounts for 44%, followed by eastern region at 30%, southern region at 22% and northern region at 4%.

The manufacturing plant of the Company at Ankleshwar has an installed capacity of 120 mt per day and effective steps are already being taken to debottleneck the capacity to 130 mt per day, the benefits of which will materialise in 2011-12. It will also be able to generate more steam which it may be able to sell to a neighbouring plant. In addition, it will also explore new value added products which will utilize Sulphur Trioxide and Sulphur Dioxide.

As the manufacture of the Sulphuric Acid and its downstream products are based on Sulphur, their prices and consequently their contribution margins are influenced by the international

price of Sulphur and the rate of foreign exchange. Bulk chemicals are essentially cyclical, and the Company needs to ensure a high degree of efficiency, competitiveness and speed in its operations to achieve a good performance.

* Source: ICIS

Internal Control Systems

The Company has appointed an external agency, Ernst & Young, an international consultancy firm, to ensure adequate internal controls for safeguarding the assets, ensuring transactions are in accordance with its policies and are duly authorized, recorded and reported, and preventing significant frauds or other irregularities.

The Company is working to further strengthen the systems for internal audit and risk assessment and mitigation. During the year, it has taken further steps to improve in these areas and has specifically taken the following new initiatives:

- 1) Revision of audit checklists, reporting templates and several Standard Operating Procedures and involvement of an independent internal audit firm to improve methodologies, processes and reporting techniques and
- 2) Implementation of Risk Management Systems.

A high priority was assigned towards compliance to safety and environmental norms specified by GPCB.

Human Resources

Production and sales activities of the Company have started at Ankleshwar and recruitment of manpower has been done to support the activities. However, all the workmen and managers at Valsad plant were relieved in 2005. It is having a small team of employees at its Head Office for attending to day-to-day work.

Report on Corporate Governance

In times to come, the people will not judge us by the creed we profess or the label we wear or the slogans we shout, but by our work, industry, sacrifice, honesty and purity of character.

- Mahatma Gandhi

1. Philosophy

Transparency and accountability are the two basic tenets of Corporate Governance. Amal is proud to belong to a Group whose founder lived his life with eternal Values and built the business enterprises on the foundation of good governance.

The Company is committed to conducting business the right way which means taking decisions and acting in a way that is ethical and in compliance with the applicable legal requirements. It will endeavour to continuously improve its Corporate Governance performance with a view to earn trust and respect of all its Stakeholders.

The Board of Directors is responsible for and is committed to good Corporate Governance and plays a critical role in overseeing how the Management serves the short and long-term interests of the Shareholders and other Stakeholders.

2. Board of Directors

2.1 Board Business

The normal business of the Board comprises:

- 2.1.01. Approving capital expenditures and operating budgets
- 2.1.02. Approving proposals for joint ventures, collaborations, mergers and acquisitions
- 2.1.03. Approving loans and investments
- 2.1.04. Reviewing foreign exchange exposure and exchange rate movement, if material
- 2.1.05. Approving sale of investments and assets
- 2.1.06. Approving borrowings in nature of short, medium or long-term
- 2.1.07. Approving creation of charge on assets in favour of lenders
- 2.1.08. Approving unaudited quarterly and half-yearly financial results and audited annual accounts, both consolidated and on a standalone basis including segment-wise revenues, results and capital employed
- 2.1.09. Reviewing fatal or serious accidents, dangerous occurrences and material environmental matters
- 2.1.10. Reviewing default in payment of statutory dues
- 2.1.11. Approving commission payable to the Directors within the limit set by the Shareholders
- 2.1.12. Recommending | approving declaration of dividend
- 2.1.13. Noting minutes of the meetings of the Board, Audit, Shareholders' and Investors' Grievance Committees or any other Committee meetings held during the year and also the resolution(s) passed by circulation
- 2.1.14. Approving cost audit reports
- 2.1.15. Recommending appointment of the Statutory Auditors and the Cost Auditors
- 2.1.16. Reviewing materially important show cause, demand, prosecution and penalty notices
- 2.1.17. Approving contracts in which Director(s) are deemed to be interested
- 2.1.18. Approving matters requiring statutory | Board consent
- 2.1.19. Reviewing status on compliance of regulatory | statutory and listing requirements
- 2.1.20. Noting general notices of interest of the Directors



2.2. Appointment and Tenure

2 | 3rd of the Directors are rotational Directors. 1 | 3rd of rotational Directors retire in every Annual General Meeting (AGM) and, if eligible, offer themselves for reappointment. The Managing Director is appointed by the Members for a period of five years.

2.3. Composition, Name, Other Directorships | Committee Memberships

The Board comprises experts drawn from diverse fields | professions. It consists of six Members comprising five Non-executive Directors and one Managing Director. The composition of the Board comprises not less than 50% Independent Directors, thereby complying with the Listing Agreements. The Non-executive Directors are eminent professionals, drawn from amongst persons with experience in business, industry, finance, law and public enterprises.

Number	Name	Category	Directorship(s) in other company(ies) ¹	Membership(s) of the Committee(s) of the Board(s) ²	Chairmanship(s) of the Committee(s) of the Board(s) ²
1	Mr S S Lalbhai	Promoter, Non-executive*	5	3	-
2	Mr V Koppaka	Promoter, Executive**	-	-	-
3	Mr T R Gopi Kannan	Promoter, Non-executive	4	1	-
4	Mr N C Singhal	Independent, Non-executive	9	7	5
5	Mr S A Shah	Independent, Non-executive	7	7	4
6	Mr A R Jadeja	Independent, Non-executive	-	-	-

¹ excludes Alternate Directorships and Directorships in foreign companies and private limited companies

² in compliance with Clause 49, Memberships | Chairmanships of only the Audit Committees and Shareholders' | Investors' Grievance Committees of all public limited companies including the Company were considered

* Chairman

** Managing Director

2.4. Board Meetings

The Board Meeting dates were normally determined well in advance. During the year, the Board met seven times:

Number	Day	Date	Venue
1	Tuesday	May 25, 2010	Atul
2	Thursday	July 22, 2010	Atul
3	Friday	September 24, 2010	Mumbai
4	Thursday	October 14, 2010	Mumbai
5	Wednesday	November 03, 2010	Mumbai
6	Tuesday	February 08, 2011	Mumbai
7	Monday	March 07, 2011	Mumbai

2.5 Attendance at the Board Meetings and at the AGM

Number	Name	Total	Attended	AGM on September 24, 2010
1.	Mr S S Lalbhai	7	7	Present
2.	Mr V Koppaka	7	7	Present
3.	Mr N C Singhal	5	5	Present
4.	Mr T R Gopi Kannan	7	6	Present
5.	Mr S A Shah	4	4	NA
6.	Mr A R Jadeja	4	3	NA
7.	Dr R Vishnoi	5	4	Present
8.	Mr G R Parekh	5	3	Present
9.	Mr B M Trivedi	3	1	Present
10.	Mr M S Dutta	1	1	NA

2.6. Appointment | cessation during the year

- Appointed : Mr S A Shah and Mr A R Jadeja on September 24, 2010.
- Resigned : Mr M S Dutta with effect from July 22, 2010,
Dr R Vishnoi with effect from December 14, 2010,
Mr G R Parekh with effect from January 30, 2011 and
Mr B M Trivedi with effect from February 03, 2011.
- Ceased : Nil

2.7. Remuneration

Number	Name	Remuneration during the year			Total
		Sitting Fees	Salary & Perquisites	Commission	
1.	Mr S S Lalbhai	-	-	-	-
2.	Mr V Koppaka	-	492137	-	492137*
3.	Mr N C Singhal	122500	-	-	122500
4.	Mr T R Gopi Kannan	-	-	-	-
5.	Mr S A Shah	80000	-	-	80000
6.	Mr A R Jadeja	60000	-	-	60000

Sitting fees constitute fees paid to Non-executive Directors for attending Board and Committee meetings of up to ₹ 10,000/- per meeting.

* Represents lower of 10% of the remuneration paid by Atul Ltd to the Managing Director (being an employee of Atul Ltd) or an amount allowable under Section I or Section II of Part II of the Schedule XIII of the Companies Act, 1956. Accordingly, an amount of ₹ 492 ('000) is reimbursable to Atul Ltd.

3. Committees of the Board

The Board has the following Committees:

- Audit Committee
- Share Transfer and Shareholders' | Investors' Grievance Committee
- Remuneration Committee



3.1. Audit Committee

3.1.1. Role

- i) Overseeing the financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- ii) Recommending appointment and removal of the Statutory Auditors and fixation of audit fees, and approval of payment for any other services.
- iii) Reviewing matters under the Directors' Responsibility Statement to be included in the Directors' Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
- iv) Mandatory reviewing of the following information:
 - Management Discussion & Analysis of financial condition and results of operations
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management
 - Internal audit reports relating to weaknesses in Internal Control Systems
 - Appointment, removal and terms of remuneration of the Chief Internal Auditor
- v) Reviewing quarterly | annual financial statements with the Management before submission to the Board, focusing primarily on
 - Any changes in accounting policies and practices
 - Major accounting entries based on exercise of judgement by the Management
 - Qualifications in the draft audit report
 - Significant adjustments arising out of audit
 - Going concern assumption
 - Compliance with Accounting Standards
 - Compliance with the Stock Exchanges and legal requirements concerning financial statements
 - Any related party transactions, that is, transactions of the Company of material nature, with Promoters or the Management, their subsidiary companies and relatives, among others, that may have potential conflict with the interest of the Company at large
- vi) Reviewing with the Management, external and Internal Auditors, the adequacy of internal control systems.
- vii) Reviewing adequacy of internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- viii) Discussing with the Internal Auditors on any significant findings and follow up thereon.
- ix) Reviewing findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of material nature and reporting such matters to the Board.
- x) Discussing with the Auditors before the audit commences regarding nature and scope of the audit as well as to have post-audit discussion to ascertain any areas of concern.
- xi) Reviewing financial and risk management policies.
- xii) Reviewing reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, Members (in case of non-payment of declared dividends) and creditors.
- xiii) Discussing with the Auditors, periodically, about internal control systems, the scope of audit including the observations of the Auditors and review of quarterly, half-yearly and annual financial statements before submission to the Board.
- xiv) Ensuring compliance of internal control systems.
- xv) Reviewing functioning of the Whistle Blower mechanism.
- xvi) Formulating the Code of Conduct and related matters.

- xvii) Periodically reviewing compliance reports of all laws applicable to the Company as well as steps taken to rectify instances of non-compliances.
- xviii) Reviewing financial statements, in particular, the investments made by the unlisted subsidiary companies.
- xix) Reviewing all significant transactions and arrangements entered into by the unlisted subsidiary companies.
- xx) Determining procedures about the risk assessment and minimization and reviewing periodically to ensure that the executive management control risks through means of a properly defined framework.
- xxi) Reviewing uses | applications of funds raised through public | right | preference issues by major categories vis-à-vis the purposes narrated in the offer document | prospectus | notice.
- xxii) Approving the appointment of CFO.

3.1.2. Composition

The Committee comprises three Members. All the Members are Non-executive and Independent Directors. The Members have relevant experience in financial matters.

Number	Name	Designation
1.	Mr N C Singhal	Chairman
2.	Mr S A Shah	Member
3.	Mr A R Jadeja	Member

3.1.3. Meetings and Attendance

During the year six meetings were held:

Number	Name	Total	Attended
1.	Mr N C Singhal	5	5
2.	Mr S A Shah	4	4
3.	Mr A R Jadeja	4	3

The Statutory Auditors, the Cost Auditors, the Chairman, the Managing Director, the Company Secretary, Heads of Accounts and Internal Audit are permanent invitees to the meetings.

The Board notes the minutes of the Audit Committee meetings.

3.2. Share Transfer and Shareholders' | Investors' Grievance Committee

3.2.1. Role

- i) Redressing complaints of the Shareholders and the Investors like transfer of shares (physical and dematerialised), non-receipt of balance sheet, non-receipt of declared dividends, etc.
- ii) Any other related matter which the Committee may deem fit in the circumstances of the case including the following:
 - Transfer shares
 - Transmission of shares
 - Delete names from share certificates
 - Change names of the Members on share certificates
 - Issue duplicate share certificates
 - Consolidate share certificates
 - Transpose names
 - Dematerialise shares
 - Inter depository transfer
 - Rematerialise shares
 - Split-up shares
 - Replace shares
 - Delete guardian



3.2.2. Composition

The Committee comprises two Members. Both the Members are Non-executive Directors.

Number	Name	Designation
1.	Mr N C Singhal	Chairman
2.	Mr T R Gopi Kannan	Member

3.2.3. Meetings and Attendance

During the year four meetings were held:

Number	Name	Total	Attended
1.	Mr N C Singhal	3	3
2.	Mr T R Gopi Kannan	2	2

During the year, the Company received 10 complaints from the Investors. All the grievances were solved to the satisfaction of the Investors:

Number	Nature of Complaint	Received	Redressed
1.	Non-receipt of certificate	1	1
2.	Non-receipt of shares after name change	5	5
3.	Non-receipt of Demat credit	3	3
4.	Non-receipt of Bonus certificate	1	1

The Board notes the minutes of the Share Transfer and Shareholders' | Investors' Grievance Committee meetings.

3.3 Remuneration Committee

Remuneration Committee of the Company was reconstituted on May 14, 2011.

3.3.1 Role

- Determining on behalf of the Board and the Members, policy of the Company, on specific remuneration packages for the Managing Director.
- Determining the remuneration of the Managing Director based on individual performance, qualifications, experience, the Company performance and comparable industry practices, among others.

3.3.2 Composition

The Committee comprises three Members. All the Members are Non-executive Directors.

Number	Name	Designation
1.	Mr S A Shah	Chairman
2.	Mr N C Singhal	Member
3.	Mr S S Lalbhai	Member

3.4.3 Meetings and Attendance

During the year no meeting was held.

The Board notes the minutes of the Remuneration Committee meetings.

4. Subsidiary Companies

There are no subsidiary companies of the Company.

5. Company Policies

5.1. Compliance

Compliance certificates confirming the due compliance with the statutory requirements are placed at the Board Meeting for review by the Directors. A system of ensuring material compliance with the laws, orders, regulations and other legal requirements concerning the business and affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board and subsequently rectified.

5.2. Code of Conduct

The Board had approved the Code of Conduct applicable to the Directors and senior management personnel. This Code of Conduct is available on the website of the Company: www.amal.co.in. All the Directors and the senior management personnel affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Managing Director of the Company forms a part of this Report.

6. Affirmation and Disclosure

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or the Management and their subsidiary companies or relatives, among others, during the year that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters.

The Company complied with the statutory provisions, rules and regulations relating to the capital markets during the last three years and the Stock Exchanges or Securities and Exchange Board of India or any statutory authority did not impose any penalties or strictures on the Company for the said period.

7. Shareholders' Information

7.1. General Body Meetings

7.1.1. Location and time, where last three AGMs were held:

Year	Location	Date	Time
2007-08	Kilachand Conference Room, 2 nd Floor, LNM - IMC Building, IMC Marg, Churchgate, Mumbai 400020	September 26, 2008	4.00 p.m.
2008-09	Kilachand Conference Room, 2 nd Floor, LNM - IMC Building, IMC Marg, Churchgate, Mumbai 400020	September 24, 2009	4.00 p.m.
2009-10	Babubhai Chenai Committee Room, 2 nd Floor, LNM - IMC Building, IMC Marg, Churchgate, Mumbai 400020	September 24, 2010	3.00 p.m.

7.1.2. During the year, there were no ordinary or special resolutions passed through postal ballot

7.2 Annual General Meeting 2011

Details of the 37th AGM are as under:

2010-11	Walchand Hirachand Hall, 4 th Floor, LNM - IMC Building, IMC Marg, Churchgate, Mumbai 400020	August 09, 2011	3.00 p.m.
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As required under Clause 49VI (A), particulars of Directors seeking reappointment | appointment are given in the notice of the AGM.

7.3 Financial Year

April 01 to March 31

7.4 Date of Book Closure

July 01, 2011 to July 04, 2011



7.5 Dividend Payment Date

NA

7.6 Listing on Stock Exchanges

Equity Shares of the Company are listed at Bombay Stock Exchange Ltd (BSE) and Ahmedabad Stock Exchange of India Ltd (ASE).

The Company has paid listing fees for the year 2011-12 to all the Stock Exchanges where securities are listed. Pursuant to a circular of Securities and Exchange Board of India (SEBI), Custody charges also paid to the Depositories namely National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The ISIN number of the share of the Company is INE841D01013. The Corporate Identity Number (CIN) is L24100MH1974PLC017594.

7.7 Stock Code

BSE: 506597 and ASE: 03310

7.8 Share Price Data and comparison with BSE Sensex

The monthly high and low share prices of the Company in comparison with the BSE Sensex during the year are as under:

Month	Share price of the Company at BSE		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2010	9.20	7.50	18047.86	17276.80
May 2010	10.20	7.05	17536.86	15960.15
June 2010	20.11	7.80	17919.62	16318.39
July 2010	16.65	14.30	18237.56	17395.58
August 2010	18.80	14.10	18475.27	17819.99
September 2010	28.80	14.70	20267.98	18027.12
October 2010	26.30	18.10	20854.55	19768.96
November 2010	27.60	18.60	21108.64	18954.82
December 2010	24.25	19.10	20552.03	19074.57
January 2011	22.00	14.10	20664.80	18038.48
February 2011	20.60	14.60	18690.97	17295.62
March 2011	18.75	15.10	19575.16	17792.17

7.9 Registrar and Transfer Agent

For physical and dematerialised shares:

Link Intime India Pvt Ltd (Formerly known as Intime Spectrum Registry Limited)

C 13 Pannalal Silk Mills Compound, LBS Marg,

Bhandup, Mumbai 400078, Maharashtra, India

Telephone Number: 022-25946970 Fax: 022-25946969

E-mail id: rnt.helpdesk@linkintime.co.in

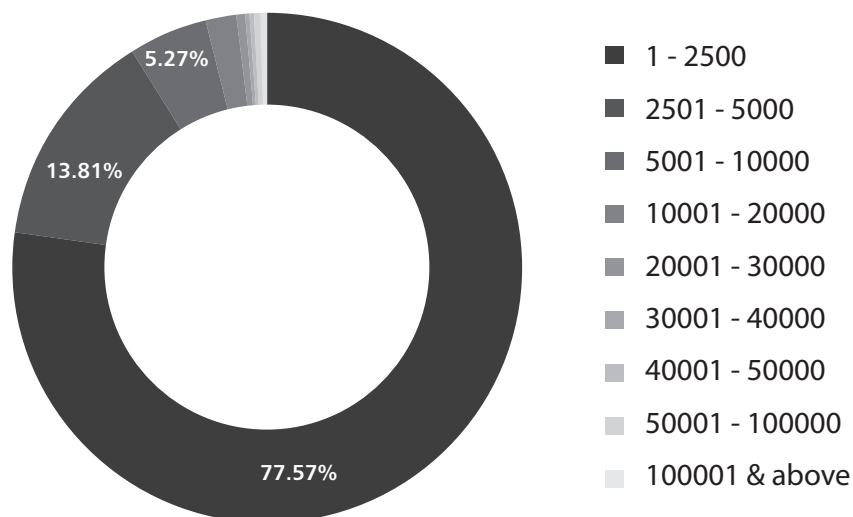
7.10 Share Transfer System

- Securities lodged for transfer at the office of the Registrar are processed, within 30 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialisation of securities are processed, and the confirmation is given to the depositories within 21 days.
- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on a half-yearly basis were issued by the Company Secretary in practice for due compliance of share transfer formalities by the Company. Pursuant to the SEBI (Depositories and Participants) Regulations, 1996, certificates were also received from the Company Secretary in practice for timely dematerialisation of the shares and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. All the certificates were filed with the Stock Exchanges where the shares of the Company are listed.

7.11 Distribution of Shareholding as on March 31, 2011

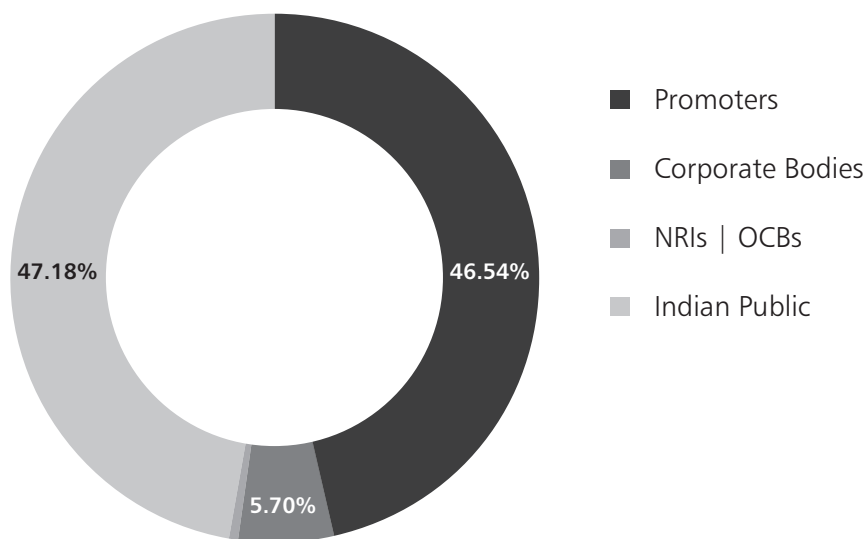
i) Shareholding wise:

Holding	Shareholders		Shares	
	Numbers	% of Total	Numbers	% of Total
1- 2500	9758	77.57	8378020	11.93
2501-5000	1737	13.81	6632660	9.44
5001-10000	663	5.27	5028150	7.16
10001-20000	221	1.76	3186330	4.54
20001-30000	79	0.63	1951900	2.78
30001-40000	29	0.23	1006940	1.43
40001-50000	22	0.17	1069330	1.52
50001-100000	35	0.28	2454330	3.49
100001 and above	36	0.29	40542340	57.71



ii) Category wise:

Category	Shares (No.)	Shareholding (%)
Promoters	3269223	46.54
Mutual Funds	1100	0.02
Banks and Insurance Companies	1083	0.02
Foreign Institutional Investors	-	-
Corporate Bodies	400180	5.70
Non-Resident Indians Overseas Corporate Bodies	38279	0.54
Indian Public	3315135	47.18
Total	7025000	100.00



Shareholding (%)

Apart from Equity Shares, the Company had issued 1,00,00,000 Redeemable Preference Shares of ₹ 10/- each to the Promoters of the Company as per the BIFR order dated June 18, 2010 against full and final settlement of secured loans of ₹ 10,00,00,000/- (Rupees Ten crores only) on February 08, 2011.

7.12 Dematerialisation of shares and liquidity

Electronic holding by the Members comprising 75.94% (53,34,853 shares) of the paid-up equity share capital of the Company held through the NSDL 68.41% (48,05,852 shares) and the CDSL 7.53% (5,29,001 shares) and 24.06% (16,90,147 shares) were in physical form as on March 31, 2011.

7.13 Outstanding GDRs | ADRs | warrants or any convertible instruments, conversion date and likely impact on equity

Capital of the Company comprises only Equity Shares and Preference Shares and the Company does not have any outstanding ADRs, GDRs, warrants or any convertible instruments.

7.14 Equity Shares held by the Non-executive Directors

Number	Name	Shares
1	Mr S S Lalbhai	3750

7.15 Locations of plants

- Atul 396020, District Valsad, Gujarat, India
- GIDC, Ankleshwar 393002, District Bharuch, Gujarat, India

7.16 Address of Mumbai office

310B, Veer Savarkar Marg, Dadar West, Mumbai 400028, Maharashtra, India

7.17 Address for correspondence

Amal Ltd, Atul 396020, District Valsad, Gujarat, India

7.18 E-mail id of grievance redressal office: igc@amal.co.in

7.19 Nomination facility

A Member can nominate a person who will have rights to shares and | or amount payable in respect of shares registered in his (her) name in the event of his (her) death. This facility is available to the Members and the nomination form can be obtained from the Company.

7.20 Communication

Half-yearly report sent to each household of the Members	Since the financial results are published in the newspapers as well as displayed on the website of the Company BSE NSE Corp filing website, the results are not sent to each household of the Members
Quarterly and half-yearly results	Financial results of the Company are sent to the Stock Exchanges immediately after approval by the Board and published in The Financial Express (English) and Punya Nagari (Marathi). The results are published in accordance with the guidelines of the Stock Exchanges
Any website, where displayed	www.amal.co.in
Whether it also displays official news releases	No
The presentations made to institutional investors or to the analysts	No presentations were made to institutional investors or analysts during the year
Whether Management Discussion & Analysis is a part of the Annual Report or not	Yes

8. Details of compliance with the mandatory requirements and extent of compliance with non-mandatory requirements

i) Compliance with the mandatory requirements

The Company complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

ii) Extent of compliance with the non-mandatory requirements

The Company complies with the following non-mandatory requirements:

- Remuneration Committee set up by the Board
- Moving towards unqualified financial statements

All the Directors have access to the suggestions and services of the Secretarial department in ensuring an effective functioning of the Board and its Committees. The functionaries of Secretarial department administers, attends and prepares minutes of the Board and the Committee proceedings in accordance with the statutory requirements as well as the norms of Corporate Governance.

10. Certification by CEO and CFO

Mr V Koppaka, Managing Director and Mr S Chandalia, Head of Finance and Compliance Officer, issued a certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said certificate was placed before the Board at the meeting held on May 14, 2011, in which the accounts for the financial year ended March 31, 2011 were considered and approved by the Board.

11. Certification by the Statutory Auditors

Certificate from the Statutory Auditors of the Company, Haribhakti & Co, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is enclosed.

12. Declaration by the Managing Director

In accordance with Clause 49 I D of the Listing Agreement with the Stock Exchanges, all the Directors and senior management personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board.

For Amal Ltd

Mumbai
May 14, 2011

Vasudev Koppaka
Managing Director

Auditors' Certificate regarding compliance of conditions of Corporate Governance



To the Members of Amal Ltd

We have examined the compliance of conditions of Corporate Governance by Amal Ltd for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures 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.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Haribhakti & Co
Chartered Accountants
Firm Registration No. 103523W

Mumbai
May 14, 2011

Rakesh Rathi
Partner
Membership No. 45228

Notice

NOTICE is hereby given that the 37th Annual General Meeting (AGM) of the Members of the Company will be held on August 09, 2011, Tuesday, at 3.00 p.m. at Walchand Hirachand Hall, 4th Floor, LNM-IMC Building, IMC Marg, Churchgate, Mumbai 400020, Maharashtra, India to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as on March 31, 2011 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr T R Gopi Kannan who retires by rotation under Article 134 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint Haribhakti & Co, Chartered Accountants (Firm Registration No. 103523W) as the Statutory Auditors and fix their remuneration.

Special Business:

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT Mr S A Shah retiring at this Annual General Meeting having been appointed as an Additional Director under Article 118 of the Articles of Association and Section 260 of the Companies Act, 1956 and who being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature, be and is hereby appointed a Director of the Company."

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT Mr A R Jadeja retiring at this Annual General Meeting having been appointed as an Additional Director under Article 118 of the Articles of Association and Section 260 of the Companies Act, 1956 and who being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature, be and is hereby appointed a Director of the Company."

By order of the Board

Mumbai
May 14, 2011

Vasudev Koppaka
Managing Director

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself | herself and a proxy need not be a Member.

2. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members | Body corporate | Proxies should bring duly filled in Attendance Slips sent herewith to attend the meeting. Members who hold shares in dematerialised form are requested to bring their Client and Depository Participant (DP) id for easy identification of attendance at the meeting.
4. Printed copies of the Balance Sheet, the Profit and Loss Account, the Directors' Report, the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet for the year ending March 31, 2011 are enclosed.
5. Book closure: The Register of Members and the share transfer books of the Company will remain closed from July 01, 2011 to July 04, 2011 (both days inclusive).
6. Members holding shares in electronic form are requested to notify any change of address, nomination and power of attorney notifications to their respective DPs namely, NSDL and CDSL.
7. Members are requested to send all correspondences to the Registrar and Share Transfer Agents (R&TA) of the Company quoting their Registered Folio Number or Dematerialised Account Number and DP id.
8. Members who have multiple accounts in identical names or joint accounts in same order are requested to intimate R&TA enclosing their share certificates to consolidate all such holdings into one account for better service.
9. The shares of the Company have been admitted in both the Depositories, NSDL and CDSL. The ISIN Number allotted to the securities of the Company is INE841D01013. Members holding shares in physical mode are requested to convert their holdings into dematerialised form.
10. Members desirous of any information about the accounts of the Company are requested to write to the Company at least 7 days prior to the date of the meeting so that the required information can be made available at the meeting.
11. The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that serving notice | documents including Annual Report can be made through electronic mode to its Members. To support this green initiative of the Government in full measure, Members are requested to update their email id provided to the concerned DPs.

12. Reappointment of the Director:

At the ensuing AGM, Mr T R Gopi Kannan retires by rotation and being eligible offers himself for reappointment. The information or details required as per the Listing Agreements pertaining to him are as under:

Mr T R Gopi Kannan has done FCA, FCS, FICWA followed by Post Graduate Diploma in Management Studies from Indian Institute of Management - Ahmedabad and ACMA (London). He has around 26 years of experience including around 9 years in multinational companies in the areas of Finance and Accounting and over 17 years as Head of Finance in Atul Ltd.



Date of birth	March 30, 1959
Directorships in other Companies:	Chairman: Ameer Trading Corporation Ltd Atul Americas, Inc. Atul Deutschland GmbH Atul Europe Ltd Atul International Trading (Shanghai) Co Ltd Director: AtRo Ltd Atul Bioscience Ltd Atul Rajasthan Date Palms Ltd M. Dohmen S. A.
Membership in committees of other companies	Nil
Number of Shares in Amal Ltd	Nil

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

Mr S A Shah was appointed as an Additional Director of the Company by the Board in the meeting held on September 24, 2010. He holds the office upto the date of the ensuing AGM. The Company has received a notice in writing from a Member along with a deposit of ₹ 500/- proposing the candidature of Mr Shah for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Mr S A Shah is a practicing Chartered Accountant having an overall post qualification experience of about 19 years with expertise in the areas of Mergers and Acquisitions, Restructuring, Financial Due Diligence and General Corporate Advisory.

He is the founder partner of SSPA & Co, Chartered Accountants, and heads the Corporate Consultancy practice of the firm.

Prior to his association with SSPA & Co, he was associated with N M Raiji & Co, Chartered Accountants, for about 8 years as a partner.

He is contributor to the Referencer published by the Bombay Chartered Accountants' Society and the WIRC of the ICAI. He is a regular speaker at various forums including the ICAI, ICSI on various subjects including Mergers & Acquisitions, Valuations, Due-Diligence Review, etc.

Date of birth	September 23, 1968
Directorships in other Companies	Public Companies: Amrit Banaspati Co Ltd Gitanjali Gems Ltd Hindoostan Technical Fabric Ltd Key Note Corporate Services Ltd Reliance Asset Reconstruction Co Ltd Reliance Media Works Ltd The Hindoostan Spinning & Weaving Mills Ltd Private Companies: i Process Services Pvt Ltd Pramarica Trustees Pvt Ltd

Membership in committees of other companies	Chairman of Committees: Gitanjali Gems Ltd - Audit Committee Reliance Asset Reconstruction Co Ltd - Audit Committee Reliance Media Works Ltd - Audit Committee i Process Services Pvt Ltd - Audit Committee
Number of Shares in Amal Ltd:	Nil

No Directors except Mr S A Shah is interested in or concerned with this resolution.

The Directors recommend passing of the resolution.

Item No. 5

Mr A R Jadeja was appointed as an Additional Director of the Company by the Board in the meeting held on September 24, 2010. He holds the office upto the date of the ensuing AGM. The Company has received a notice in writing from a Member along with a deposit of ₹ 500/- proposing the candidature of Mr Jadeja for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Mr A R Jadeja is a practicing solicitor registered with the Bar Council of Maharashtra & Goa and associated with Crawford Bayley & Co, since past 6 years. He has attained his Bachelor's degree in Law from Government Law College affiliated to the University of Mumbai. His areas of expertise involves litigation and advisory roles for a wide spectrum of legal laws ranging from Drug Legislation, Alternate Dispute Resolution, Trademark, Patent, Copyright, Economic Offence, Company Law, Mergers & Acquisitions, Buy back, etc.

Date of birth	December 26, 1982
Directorships in other Companies	Private Companies Sealcom India Pvt Ltd
Membership in committees of other companies	Nil
Number of Shares in Amal Ltd	Nil

No Directors except Mr A R Jadeja is interested in or concerned with this resolution.

The Directors recommend passing of the resolution.

Registered office

310 B Veer Savarkar Marg,
Maharashtra,
India

By Order of the Board
Vasudev Koppaka
Managing Director

May 14, 2011

Ten Year Review

(₹ in lacs)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
OPERATING RESULTS:										
Sales & Other Income	1,319.90	524.78	29.77	45.89	103.42	174.01	639.81	4,910.61	5,843.99	4,601.91
Gross Profit (PBDT)	16.94	37.79	(75.58)	(41.87)	(43.20)	(236.62)	(1,476.09)	(1,057.65)	240.33	302.86
Depreciation	130.10	130.27	132.02	132.26	132.64	132.61	1,858.63	255.87	225.12	214.29
Profit (Loss) Before Tax	(136.73)	(92.48)	(207.60)	(174.13)	(175.84)	(369.23)	(3,334.72)	(1,313.52)	15.21	88.57
Interest Waiver from OTS	-	467.02	218.57	-	43.67	306.10	-	-	-	-
Write back of prior period provisions	34.83	-	-	-	-	-	-	-	-	-
Write off of prior period short provisions	32.56	-	-	-	-	-	-	-	-	-
Impairment	237.03	-	-	-	-	-	-	-	-	-
Taxation	-	0.19	0.18	0.30	0.41	0.75	0.20	0.20	0.18	0.20
Deferred Tax (Liability)/ Asset (net)	-	3.21	(3.21)	30.89	(0.61)	(2.81)	(111.23)	85.01	(36.80)	1.76
Profit (Loss) After Tax	(371.50)	377.55	7.58	(143.54)	(133.19)	(66.70)	(3,446.15)	(1,228.73)	(21.77)	90.13
FINANCIAL POSITION:										
Gross Block	6,410.46	6,070.22	6,005.54	6,005.54	6,005.54	6,005.54	6,055.33	6,039.81	5,925.97	5,180.12
Net Block	481.92	509.22	575.18	707.59	840.23	973.26	1,148.51	3,405.94	3,550.43	3,013.96
Net Current & Other Assets	(224.20)	(152.87)	(663.05)	(834.22)	(825.84)	(816.15)	(1,390.68)	254.18	1,598.74	1,844.89
Capital Employed	257.72	356.35	(87.88)	(126.63)	14.39	157.11	(242.16)	3,660.12	5,149.17	4,858.85
Equity Share Capital	-	702.50	702.50	702.50	702.50	702.50	702.50	702.50	702.50	702.50
Reserves & Surplus	(3,353.27)	(2,981.39)	(3,950.11)	(3,957.31)	(3,813.40)	(3,744.76)	(4,320.83)	(613.05)	638.63	663.76
Advance towards Share Capital	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00
Shareholders' Funds	(1,410.77)	(2,038.89)	(3,007.61)	(3,014.81)	(2,870.90)	(2,802.26)	(3,378.33)	329.45	1,581.13	1,606.26
Borrowings	1,668.50	2,395.24	2,919.75	2,888.19	2,885.29	2,959.37	3,136.17	3,330.67	3,568.04	3,252.59
KEY RATIO:										
Dividend (%)	-	-	-	-	-	-	-	-	-	-
Earning per Share ₹	(5.29)	5.37	0.11	(2.04)	(1.90)	(0.95)	(49.06)	(17.49)	(0.31)	1.28
Book Value Per Share ₹	(20.08)	(29.02)	(42.81)	(42.92)	(40.87)	(39.89)	(48.09)	4.69	22.51	22.86

Report of the Auditors to the Members



1. We have audited the attached Balance Sheet of Amal Ltd ('the Company') as at March 31, 2011 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the Directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31,

2011 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

- vi. Attention is invited to Note 13 and 15 of annual accounts;

The Company has recommenced its manufacturing operations at Ankleshwar and has also undertaken capacity expansion as required under revival scheme sanctioned by Board of Industrial and Financial Reconstruction (BIFR) in July 2009 and further modified in June 2010. Further, relevant adjustments required under the scheme have also been made in the books of account prepared under going concern basis.

Subsequently, upon appeal by a creditor, the Appellate Authority of Industrial and Financial Reconstruction (AAIFR) has set aside the said scheme in March 2011 and remanded the case back to BIFR for considering the revival scheme through Operating Agency. Consequential adjustments, if any, which will be required upon approval of revival scheme by Operating Agency, is presently not ascertainable.

- vii. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and also give, read in particular with Note No. 13 and 15, a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Haribhakti & Co
Chartered Accountants
Firm Registration No. 103523W

Place: Mumbai
Date: May 14, 2011

Rakesh Rathi
Partner
Membership No. 45228

Annexure to Report of the Auditors

Referred to in paragraph 3 of the Auditors' Report of even date to the Members of Amal Ltd on the financial statements for the year ended March 31, 2011

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the Order are not applicable.
- (b) The Company has taken interest free loan from one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 2,75,426 (in '000) and the year-end balance of loans taken from such party was ₹ 1,66,847 (in '000).
- (c) In our opinion, the rate of interest and other terms and conditions for such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (d) The Company has made payment of principal amount of loan during the year, wherever stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard

to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in the aforesaid internal control system of the Company.

- (v) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.

Further, in our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.

- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it, though there has been a slight delay in a few cases.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year-end, for a period of more than six months from the date they became payable.



- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in '000)	Period to which the amount relates	Forum where dispute is pending
The Gujarat Sales Tax Act, 1969	Sales Tax	1,039	1999-00	Gujarat VAT Tribunal
The Gujarat Sales Tax Act, 1969	Sales Tax	1,650	2001-02	Gujarat VAT Tribunal
The Gujarat Sales Tax Act, 1969	Sales Tax	2,385	2002-03	Gujarat VAT Tribunal
The Gujarat Sales Tax Act, 1969	Sales Tax	1,380*	2003-04	Gujarat VAT Tribunal

* Out of the above, ₹ 50,000/- has been paid under protest by the Company.

- (x) In our opinion, the accumulated losses of the Company as at March 31, 2011 are more than 50% of its net worth as at the end of the year. Further, the Company has incurred cash loss during the current year and in the immediately preceding previous year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi | mutual benefit fund | society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised to the tune of ₹ 7,136 (in '000) on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, as required under the revival scheme sanctioned by BIFR, the Company has made allotment of preference shares to one party covered in the register maintained under Section 301 of the Act. In our opinion, the prices at which such shares have been issued are not prejudicial to the interest of the Company.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Haribhakti & Co
Chartered Accountants
Firm Registration No. 103523W

Rakesh Rathi
Partner
Membership No. 45228

Place: Mumbai
Date: May 14, 2011

Balance Sheet as at March 31, 2011

(₹ in '000)

Particulars	Schedule	As at March 31, 2011	As at March 31, 2010
I. SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	'1'	170,250	70,250
Advance Towards Share Capital		24,000	24,000
Reserves and Surplus	'2'	90,248	90,286
		284,498	184,536
Loan Funds			
Secured Loans	'3'	112,889	212,889
Unsecured Loans	'4'	53,961	26,635
		166,850	239,524
Deferred Tax Liabilities (net) (Refer Note No. 8 of Schedule No. 18)		-	-
Total		451,348	424,060
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	'5'	638,041	600,525
Less: Depreciation/Amortisation		(367,688)	(354,638)
Impairment		(225,166)	(201,462)
Net Block		45,187	44,425
Capital Work-in-Progress		3,005	6,497
		48,192	50,922
Investments	'6'	210	210
Current Assets, Loans and Advances			
Inventories	'7'	4,786	13,058
Sundry Debtors	'8'	2,237	1,774
Cash and Bank Balances	'9'	363	2,508
Loans and Advances	'10'	10,305	18,117
Total (A)		17,691	35,457
Less: Current Liabilities and Provisions	'11'		
Current Liabilities		40,110	50,882
Provisions		211	72
Total (B)		40,321	50,954
Net Current Assets (A - B)		(22,630)	(15,497)
Profit and Loss Account			
Less: Waiver from Secured Loan		425,576	518,390
Less: Restructure of Reserves and Surplus		-	(59,156)
		-	(70,809)
Total		425,576	388,425
Total		451,348	424,060
Significant Accounting Policies	'17'		
Notes forming parts of the Accounts	'18'		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our attached report of even date

For **Haribhakti & Co**

Chartered Accountants

Firm Registration No. 103523W

For and on behalf of the Board of Directors

Naresh C Singhal

T R Gopi Kannan

Sujal A Shah

Abhay R Jadeja
Directors

Sunil S Lalbhai
Chairman

Vasudev Koppaka
Managing Director

Rakesh Rathi

Partner

Membership No. 45228

Place : Mumbai

Date : May 14, 2011

Place : Mumbai

Date : May 14, 2011

Profit and Loss Account for the year ended March 31, 2011



(₹ in '000)

Particulars	Schedule	2010-11	2009-10
INCOME			
Gross Sales		145,818	54,225
Less: Excise Duty		13,936	4,278
Net Sales		131,882	49,947
Other Income	'12'	108	2,531
		131,990	52,478
EXPENDITURE:			
Increase Decrease in stock	'13'	2,356	(3,555)
Raw Material Consumed & Purchase of Finished Goods	'14'	85,823	30,558
Manufacturing Expenditure	'15'	42,105	20,782
Employees' Emoluments	'16'	1,834	889
Interest and Finance Charges		536	44
Depreciation and Amortisation		13,048	13,065
Less: Transfer from Revaluation Reserve		38	38
		13,010	13,027
		145,664	61,745
Profit (Loss) from operation Before Tax		(13,674)	(9,267)
Add: Waiver from Unsecured Creditors		-	46,702
Add: Sundry Balances Written Back		263	
Add: Provisions of Previous Years Written Back		2,509	
Add: Prior Period Income		711	
Less: Sundry Balances Written Off		3,238	
Less: Short Provision in respect of Previous Years		18	
Less: Impairment of Plant and Machinery		23,703	-
Profit (Loss) Before Tax		(37,150)	37,435
Provision for Tax			
Deferred Tax		-	320
Net Loss		(37,150)	37,755
Balance brought forward from previous year		(388,426)	(556,145)
Balance carried to Balance Sheet		(425,576)	(518,390)
Basic and Diluted Earnings per share (in ₹)		(5.29)	5.37
[Nominal value of shares ₹ 10 (P. Y. ₹ 10)]			
(Refer Note No. 10 of Schedule No. 18)			
Significant Accounting Policies	'17'		
Notes forming parts of the Accounts	'18'		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our attached report of even date

For **Haribhakti & Co**

Chartered Accountants

Firm Registration No. 103523W

For and on behalf of the Board of Directors

Naresh C Singhal

T R Gopi Kannan

Sujal A Shah

Abhay R Jadeja
Directors

Sunil S Lalbhai
Chairman

Vasudev Koppaka
Managing Director

Rakesh Rathi

Partner

Membership No. 45228

Place : Mumbai

Date : May 14, 2011

Place : Mumbai

Date : May 14, 2011

Cash Flow Statement for the year ended March 31, 2011

(₹ in '000)

Particulars	As at March 31, 2011		As at March 31, 2010	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax and extraordinary items		(37,150)		37,453
Adjustments for				
Add:				
Depreciation and Impairment	36,713		13,027	
Interest and Finance charges	536		44	
		37,249		13,071
		99		50,524
Less:				
Dividend	21		21	
Interest received	25		3	
Provision no longer required	2,509		-	
Miscellaneous credit balances written back	263		-	
		2,818		24
Operating Profit before Working Capital changes		(2,719)		50,500
Adjustments for:				
Inventories	8,272		(11,528)	
Trade and Other receivables	7,349		(7,289)	
Trade and Other payables	(7,861)		(30,459)	
		7,760		(49,276)
Cash generated from Operations		5,041		1,224
Less:				
Direct Taxes refund (paid)		-		(19)
Net cash flow from operating activities	A	5,041		1,205
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets and Capital advances	(34,022)		(6,497)	
Interest Received	25		3	
Dividend Received	21		21	
Sale of Fixed Asset	-		28	
Net Cash used in Investing Activities	B	(33,976)		(6,445)



Cash Flow Statement

for the year ended March 31, 2011 (contd.)

(₹ in '000)

Particulars	As at March 31, 2011	As at March 31, 2010
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(536)	(44)
Increase in short-term borrowings (net)	27,324	6,705
Net cash (used in) flow from Financing Activities C	26,788	6,661
Net change in Cash and Cash Equivalents (A+B+C)	(2,146)	1,421
Cash and Cash equivalents (Opening Balance)	2,508	1,087
Cash and Cash equivalents (Closing Balance)	362	2,508
	(2,146)	1,421

Notes to the Cash Flow Statement for the year ended March 31, 2011

1. The Cash Flow statement has been prepared under the "Indirect Method" set out in AS-3 "Cash Flow statement" referred to in The Companies Accounting Standard Rules, 2006.
2. Cash and Cash equivalents represent cash and bank balances only.
3. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

As per our attached report of even date
For **Haribhakti & Co**
Chartered Accountants
Firm Registration No. 103523W

Rakesh Rathi
Partner
Membership No. 45228

Place : Mumbai
Date : May 14, 2011

For and on behalf of the Board of Directors

Naresh C Singhal

T R Gopi Kannan

Sujal A Shah

Abhay R Jadeja
Directors

Place : Mumbai
Date : May 14, 2011

Sunil S Lalbhai
Chairman

Vasudev Koppaka
Managing Director

Schedules forming part of Balance Sheet as at March 31, 2011

(₹ in '000)

SCHEDULE '1': SHARE CAPITAL	As at March 31, 2011	As at March 31, 2010
Authorised:		
150,00,000 (P.Y. 150,00,000) Equity Shares of ₹ 10 each	150,000	150,000
100,00,000 (P.Y. Nil) 0% Redeemable Preference Shares of ₹ 10 each	100,000	-
	250,000	150,000
Issued and Subscribed:		
70,25,000 (P.Y. 70,25,000) Equity Shares of ₹ 10 each, fully paid-up	70,250	70,250
100,00,000 (P.Y. Nil) 0% Redeemable Preference Shares of ₹ 10 each, fully paid-up	100,000	-
	170,250	70,250

Notes:

- 17,13,242 Equity Shares are allotted as fully paid-up on conversion of 8,56,621 convertible debentures of ₹ 100 each in financial year 1989-90.
- 100,00,000 0% Redeemable Preference Shares are allotted as fully paid-up on conversion of Secured Loan taken from M/s Atul Ltd as per Modified Sanctioned Scheme 10 of BIFR dated June 18, 2010. The same are redeemable in 4 years starting from 2013-2014 as per terms specified in BIFR order.

(₹ in '000)

SCHEDULE '2': RESERVES AND SURPLUS	As at March 31, 2011	As at March 31, 2010
Share Premium Account		
As per last Balance Sheet	87,688	87,688
	87,688	87,688
Revaluation Reserve		
As per last Balance Sheet	2,598	2,636
Less: Depreciation for the Year Transferred to Profit and Loss Account	(38)	(38)
	2,560	2,598
	90,248	90,286

(₹ in '000)

SCHEDULE '3': SECURED LOANS	As at March 31, 2011	As at March 31, 2010
Term Loan:		
From Limited Company (See Note below)	112,889	212,889
	112,889	212,889

Notes:

- The Company has converted ₹ 100,000 thousands of loan into 100,00,000 0% Redeemable Preference Shares of ₹ 10 each fully paid-up as per Modified Sanctioned Scheme 10 of BIFR dated June 18, 2010. The same are redeemable in 4 years starting from 2013-2014 as per terms specified in BIFR order.
- The Company had reached a One Time Settlement with the secured creditors comprising of Corporate/Term loans availed from the banks and financial institutions under which the payments were made directly by the lender Company (Atul Limited) to them. By way of execution of deed of Assignment of debts owed by the Company, the Lender Company has now acquired from these banks and financial institutions the debts and rights, title and interest in encumbrances, facility and underlying securities including inter alia comprised of movable and immovable properties that have been charged by the Company in favour of these banks and financial institutions pursuant to the original deed of hypothecation entered into by the Company. The entire dues/debts against the banks and financial institutions have been fully satisfied for which "No dues/debts certificates" have been obtained from them and the charges have been modified and stands in favour of the lender Company (Atul Limited) as Secured loans.

(₹ in '000)

SCHEDULE '4': UNSECURED LOANS	As March 31, 2011	As March 31, 2010
Inter Corporate Deposit	53,961	26,635
[Repayable within one year ₹ Nil (P. Y. ₹ Nil)]	53,961	26,635

Schedules forming part of Balance Sheet as at March 31, 2011

SCHEDULE '5': FIXED ASSET

(₹ in '000)

ASSET BLOCK	GROSS BLOCK			DEPRECIATION / AMORTISATION			IMPAIRMENT		NET BLOCK	
	As at April 01, 2010	Additions, Adjustment	Deduction Adjustment	As at March 31, 2011	Depreciation fund as at April 01, 2010	Depreciation during the year	Deduction Adjustment	Impairment Fund as at April 01, 2010	Impairment fund upto March 31, 2011	As at March 31, 2011
Land	553	-	-	553	-	-	-	-	-	553
Freehold Leasehold	4,297	-	-	4,297	1,183	46	-	-	-	3,068
Buildings	67,853	2,525	-	70,378	25,390	33	-	40,816	40,816	4,139
Plant and Machinery	522,038	34,914	-	556,952	322,737	12,890	-	160,646	184,349	35,975
Office Equipments	1,688	-	-	1,688	1,404	79	-	-	-	205
Computer	1,624	48	-	1,672	1,540	-	-	-	-	132
Furniture and Fixtures	2,436	29	-	2,465	2,350	0	-	-	-	115
Vehicles	36	-	-	36	-	-	-	-	-	-
Total as on March 31, 2011	600,525	37,516	-	638,041	354,640	13,048	-	201,462	225,166	45,187
Capital Work-in-Progress	-	-	-	-	-	-	-	-	-	3,005
Total as on March 31, 2010	600,553	-	28	600,525	341,573	13,065	-	201,462	201,462	44,425

Notes:

- Impairment fund as on March 31, 2005 ₹ 201,461.73 ('000). Further impairment was done for H-Acid Plant located at Atul and NIP-1 & NIP-2 Plant located at Ankleshwar amounting to ₹ 23,703.25 ('000) during the year ended March 31, 2011.
- The Gross Block includes amounts added on revaluation of leasehold land, building and plant and machinery at Ankleshwar, on April 01, 1985 by external valuers on the Replacement Value Method. Revalued amounts added to historical cost were as under

	Previous Year
	April 1, 1985
Leasehold Land	3,553
Building	6,482
Plant and Machinery	23,129
	33,164



Schedules forming part of Balance Sheet as at March 31, 2011

(₹ in '000)

SCHEDULE '6': INVESTMENTS (LONG-TERM) (AT COST)	Face Value	No.	As at March 31, 2011 ₹	As at March 31, 2011 ₹	As at March 31, 2010 ₹	As at March 31, 2010 ₹
Other than Trade Investments						
Unquoted:						
Gujarat Synthwood Ltd	10	100,000	1,000		1,000	
Less: Provision for diminution in value (P.Y. 1,00,000 shares)			(1,000)		(1,000)	
Aakar Performance Plastics Ltd	10	880	9		9	
Less: Provision for diminution in value (P.Y. 880 shares)			(9)		(9)	
Valmiki Poly Products Ltd	10	40,000	400		400	
Less: Provision for diminution in value (P.Y. 40,000 shares)			(400)		(400)	
Bharuch Enviro Infrastructure Ltd (Ref Note (a) below) (P.Y. 21,000 shares)	10	21,000		210		210
Zoroastrian Co-operative Bank Ltd	25	4,000	100		100	
Less: Provision for diminution in value (P.Y. 4000 shares)			(100)		(100)	
Bharuch Eco Aqua. Infrastructure Ltd (₹ 2 per share paid-up)	10	369,715				
See Note (b) below						
				210		210

Notes:	Book Value		Market Value	
	As at March 31, 2011	2010	As at March 31, 2011	2010
(a) Aggregate of unquoted investments	210	210	-	-
	210	210	-	-
(b) Cost of shares of Bharuch Eco Aqua Infrastructure Ltd added as a part of deferred revenue expenditure and charged off as per Accounting policy over a period of five years starting from Financial year 2000-01 to 2004-05.				

(₹ in '000)

SCHEDULE '7': INVENTORIES (at lower of cost or net realisable value)	As at March 31, 2011		As at March 31, 2010	
1. Stores and Spares (including Furnace Oil, Coal)	2,536		1,530	
		2,536		1,530
2. Stock-in-Trade				
Raw Materials [including stock in transit ₹ Nil (P.Y. ₹ 6,010) ('000)]	1,051		7,973	
Work-in-Progress	254		1,088	
Finished Goods	945		2,467	
		2,250		11,528
		4,786		13,058

Schedules forming part of Balance Sheet as at March 31, 2011



(₹ in '000)

SCHEDULE '8': SUNDRY DEBTORS	As at March 31, 2011		As at March 31, 2010	
Unsecured, considered good				
Outstanding for more than six months	125		1,516	
Others	2,112		1,236	
		2,237		2,752
Less: Provision for doubtful debts		-		(978)
		2,237		1,774
Notes:				
Considered good		2,237		1,774
Considered doubtful		-		978
		2,237		2,752

Note:

Debtors include ₹ 1,202.46 ('000) ((P.Y. 1,080.82) ('000)) due from M/s Atul Ltd which is under the same management within the meaning of Section 370 (1B).

(₹ in '000)

SCHEDULE '9': CASH AND BANK BALANCES	As at March 31, 2011		As at March 31, 2010	
Cash on hand		15		36
Cheques on hand		-		9
Bank Balances with Scheduled Banks				
In Current Accounts		348		2,463
		363		2,508

(₹ in '000)

SCHEDULE '10': LOANS AND ADVANCES (UNSECURED)	As at March 31, 2011		As at March 31, 2010	
Advances recoverable in cash or in kind or for value to be received				
Considered good	9,036		16,360	
Considered doubtful	878		-	
Less: Provision	(878)		(1,722)	
		9,036		14,638
Balance with Central Excise Collectorate and Customs		1,157		3,240
Tax paid in advance, net of provisions		112		239
		10,305		18,117

Schedules forming part of Balance Sheet as at March 31, 2011

(₹ in '000)

SCHEDULE '11': CURRENT LIABILITIES AND PROVISIONS		As at March 31, 2011		As at March 31, 2010	
(a)	Current Liabilities				
	Sundry Creditors				
(i)	Due to Micro, Small, and Medium Enterprise (Refer Note No. 12 of Schedule No. 18)	-		-	
(ii)	Due to others	25,884		35,521	
	Other Current Liabilities	14,226		15,081	
			40,110		50,602
	Amounts to be transferred to Investor Education and Protection fund:				
	Unclaimed Matured Fixed Deposits	-		19	
	Unclaimed Right Refund	-		30	49
	Interest accrued but not due on loans				231
			40,110		50,882
(b)	Provisions				
	For Taxation	85		15	
	For Leave Encashment	126		57	
			211		72
			40,321		50,954

Note:

- Creditors include ₹ 11,627.17 ('000) [(P. Y. 10,796.47) ('000)] due to M/s Atul Ltd which is under the same management within the meaning of Sec. 370 (1B).
- Creditors include ₹ 297.62 ('000) ((P.Y. 297.62) ('000)) due to M/s Ameer Trading Corporation Ltd which is under the same management within the meaning of Sec. 370 (1B).
- Creditors include ₹ 129.59 ('000) ((P.Y. 129.59) ('000)) due to M/s Atul Europe Ltd which is under the same management within the meaning of Sec. 370 (1B).



Schedules forming part of Profit and Loss Account for the year ended March 31, 2011

(₹ in '000)

SCHEDULE '12': OTHER INCOME	2010-11	2009-10
Dividend Income		
On Long Term Investments (Non-trade)	21	21
Processing Charges	21	21
(Tax deducted at source ₹ Nil, P.Y. ₹ 6.75 (in '000))	-	147
Surplus on sale of land	-	905
(Tax deducted at source ₹ Nil, P.Y. ₹ 96.09 (in '000))	-	-
Interest Income - Others	25	3
Miscellaneous income	62	1,455
	108	2,531

(₹ in '000)

SCHEDULE '13': INCREASE / DECREASE IN STOCK:	2010 - 11	2009 - 10
Opening Stock:		
Finished Goods	2,467	-
Stocks-in-Process	1,088	-
	3,555	-
Closing Stock:		
Finished Goods	945	2,467
Stocks-in-Process	254	1,088
	1,199	3,555
	2,356	(3,555)

(₹ in '000)

SCHEDULE '14': RAW MATERIAL CONSUMED & PURCHASE OF FINISHED GOODS:	2010 - 11	2009 - 10
Raw Material Consumed		
Opening Stock	1,963	-
Add: Purchase	84,911	30,745
Less: Closing Stock	1,051	1,963
	85,823	28,782
Purchase of Finished goods	-	1,776
	85,823	30,558

Schedules forming part of Profit and Loss Account for the year ended March 31, 2011

(₹ in '000)

SCHEDULE '15': MANUFACTURING AND OTHER EXPENSES	2010-11	2009-10
Manufacturing expenses:		
Power, Fuel and Water	14,215	8,408
Plant Operation Charges	4,525	2,285
Consumption of Engineering Items	9,802	1,043
Machinery Repairs	1,672	1,459
Material Handling Charges	651	352
Other expenses:		
Legal and Professional Charges	695	663
Lease Rentals	144	144
Security Service Charges	1,559	1,045
Rates and Taxes	473	639
Insurance (Net)	43	89
Freight and Forwarding	76	12
Discount on Sales	1,299	616
Effluent Treatment Charges	912	271
Commission on Sales	196	234
Travelling and Conveyance	263	272
Printing and Stationery	282	131
Postage, Telephone and Telex	191	161
Service Charges	1,128	1,909
Directors' Remuneration and Fees	755	-
Payments to Statutory Auditors	488	60
Payments to Internal Auditors	242	-
Payments to Cost Auditors	12	15
Penalties and Fines	1,469	-
Foreign Exchange (Gain)/Loss	104	-
Miscellaneous Expenses	909	974
(including Advertisement, Bank charges, etc.)		
	42,105	20,782

(₹ in '000)

SCHEDULE '16': EMPLOYEES' EMOLUMENTS	2010-11	2009-10
Salaries, Wages and Bonus	1,512	734
Contribution to Provident and Other Funds	190	69
Staff Welfare Expenses	132	86
	1,834	889



SCHEDULE '17'

SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) and the relevant provisions of the Companies Act, 1956. The significant accounting policies adopted by the Company are detailed below.

A. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are known | materialized.

B. Fixed Assets:

Fixed assets are carried at cost of acquisition including incidental expenses, less accumulated depreciation, amortisation and impairment or amount substituted for cost on revaluation conducted by an independent surveyor in 1985-86.

C. Leased Assets:

Operating lease rentals are amortized with reference to lease terms and other considerations.

D. Depreciation and Amortisation:

1. Cost of leasehold land is amortised over the period of the lease.
2. Other Fixed Assets:
 - i. Depreciation on Fixed Assets is being provided on "Straight Line Method" basis in accordance with provisions of Section 205(2)(b) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to the said Act. The assets have been shown at the net value after deducting the amortisation, impairment and depreciation funds. The difference between depreciation on revalued amount and that calculated on original cost of assets revalued is transferred from revaluation reserve to profit and loss account.
 - ii. Depreciation on additions to the assets during the year is being provided on pro rata basis at their respective rate with reference to the month of acquisition | installation as required by Schedule XIV to the Companies Act, 1956.
 - iii. Depreciation on assets sold, scrapped or discarded during the year is being provided at their respective rates up to the month in which such assets are sold, scrapped or discarded, as required by Schedule XIV to the Companies Act, 1956.
 - iv. Depreciation is adjusted in subsequent periods to allocate the assets revised carrying amount after the recognition of an impairment loss on a systematic basis over its remaining useful life.

E. Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal | external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

F. Borrowing Costs:

Borrowing costs in relation to acquisition and construction of qualifying assets are capitalised as part of cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which these are incurred.

G. Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments.

H. Inventories:

- i. Raw Materials, Packing materials and fuel are valued at cost or net realizable value whichever is lower. Cost is arrived at on FIFO basis.
- ii. Stores and spares other than specific spares for machinery are valued at cost or net realizable value whichever is lower. Cost is arrived at on FIFO basis.
- iii. Materials-in-Process and Finished Goods are valued at cost or net realizable value whichever is lower. Finished goods stocks are valued at full absorption cost (Including Excise Duty).
- iv. Materials in transit and in Bonded Warehouse are stated at the cost to the date of Balance Sheet.

I. Foreign Currency Transaction:

i. Initial Recognition:

Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of the transaction.

ii. Conversion:

At the year-end, monetary items denominated in foreign currencies remaining unsettled are converted into rupee equivalents at the year-end exchange rates. 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 the transaction.

iii. Exchange Differences:

All exchange differences arising on settlement and conversion of foreign currency transactions are included in the profit and loss account.

J. Revenue Recognition:

i. Sale of Goods:

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery. It includes excise duty but excludes value added tax and sales tax.

ii. Lease rental income is recognised on accrual basis.

iii. Dividend Income is accounted for in the year in which the right to receive the same is established.

iv. Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

K. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date and adjusted to reflect the current management estimates.

No provision is recognised for –

- i. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- ii. Any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of obligation cannot be made.
- iii. Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.
- iv. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.



L. Research and Development Expenditure:

Research and Development Expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However, Research & Development expenditure on Fixed Assets is treated in the same way as expenditure on other Fixed Assets.

M. Employee Benefits:

i. Defined Contribution Plan:

Company's contribution paid | payable during the period to Provident Fund, Employees' Deposit Link Insurance Scheme, Officer Super Annuation Fund, Employees' State Insurance Corporation, and Labour Welfare Fund are recognised in the Profit and Loss Account.

ii. Defined Benefit Plan:

Gratuity:

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The liability so provided is represented by creation of separate funds and is used to meet the liability as and when it accrues for payment in future. Actuarial gains | losses are immediately taken to profit and loss account.

Long-Term Leave Encashment:

Long-term leave encashment are provided for based on actuarial valuation on project unit credit method carried by an actuary as at the end of the year. Actuarial gains | losses are immediately taken to profit and loss account.

iii. Short-Term Employee Benefits:

Short-term leave encashment are provided at undiscounted amount during the accounting period based on service rendered by employee.

iv. Voluntary Retirements:

Compensation payable under the Voluntary Retirement Scheme is being charged to Profit and Loss Account.

N. Taxation:

- i. Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- ii. The Company is declared sick under Section 17(1) of SICA (Special Provisions), 1985 and hence the MAT under Section 115JB of the Income Tax Act, 1961 is not applicable.
- iii. Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax assets are reviewed at each Balance Sheet date to reassess realisation.

O. Earnings Per Share:

The Company reports basic and diluted Earnings Per Share in accordance with Accounting Standard 20 on 'Earnings Per Share'. Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of equity share outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

(₹ in '000)

SCHEDULE '18'		2010-11	2009-10
1. Contingent liabilities not provided for in respect of			
Sales tax matter of 1999-2000 under appeal		1,039	1,039
Sales tax matter of 2001-2002 under appeal		1,650	1,650
Sales tax matter of 2002-2003 under appeal		2,385	2,385
Sales tax matter of 2003-2004 under appeal (Atul)		998	998
Sales tax matter of 2003-2004 under appeal (Ankleshwar)*		382	382
* The Company has deposited ₹ 50,000/- with Commissioner of Commercial Tax, Baroda for sales tax matter of Financial year 2003 - 2004.			
2. Estimated amount of contract remaining to be executed on capital accounts and not provided for (net of advances)		3,230	Nil
3. Payments to auditors			
Statutory auditors:			
(i) As auditors		388	50
(ii) In other capacity:			
For tax audit		100	10
		488	60
4. C I F value of imports, remittances, expenditure and earnings in foreign currency			
(a) C I F value of imports:			
Raw Materials		6,055	Nil
(b) Remittances		Nil	Nil
(c) Expenditure		Nil	Nil
(d) Earnings		Nil	Nil
5. Managerial Remuneration (Ref Note (a))		492	Nil

Note:

- (a) Managerial Remuneration represents lower of 10% of the remuneration paid by M/s Atul Ltd to the Managing Director (being an employee of Atul Ltd) or an amount allowable under Section I or Section II of Part II of the Schedule XIII of the Companies Act, 1956. Accordingly, ₹ 492 ('000) is the managerial remuneration reimburseable to M/s Atul Ltd

6. Details of raw materials consumption and goods traded in:**(a) Raw materials consumption:**

Particulars	Unit	2010-11		2009-10	
		Qty	(₹ in '000)	Qty	(₹ in '000)
Sulfur	MT	10,165	84,982	5,069.87	30,323
Others			841		235
Total			85,823		30,558

(b) Imported and indigenous raw materials consumption:

Category	(₹ in '000)	%	(₹ in '000)	%
Imported	6,055	7.06	-	-
Indigenous	79,768	92.94	30,558	100.00
Total	85,823	100.00	30,558	100.00



7. Licensed and installed capacities, production, stocks and turnover:

(a) Licensed and installed capacities and production:

Particulars	2010-11		2009-10	
	Ankleshwar	Atul	Ankleshwar	Atul
	MT	MT	MT	MT
Dye intermediates				
Licensed capacity	2,250	2,500	2,250	2,500
Installed capacity	1,000	3,500	1,000	3,500
Production	-	-	-	-
Sulfuric Acid				
Licensed capacity	33,000	-	33,000	-
Installed capacity	39,600	-	39,600	-
Production	29,830	-	15,519	-
Iron Oxide				
Licensed capacity	1,200	-	1,200	-
Installed capacity	1,200	-	1,200	-
Production	-	-	-	-

- i) As per DGTD registration 1,250 MT (P.Y. 1,250 MT) and as per registration with Department of Industrial Development, Government of India 1,000 MT (P.Y. 1,000 MT) capacity is Licensed for Ankleshwar unit.
- ii) As certified by General Manager and being a technical matter, accepted by auditors, as correct.
- iii) Dye Intermediate and Iron Oxide division has been discontinued as the production of the same is not economical as per the management.

(b) Stocks and turnover:

(₹ in '000)

Class of Goods	Stocks at commencement				Stocks at close			
	2010-11		2009-10		2010-11		2009-10	
	MT	Amount	MT	Amount	MT	Amount	MT	Amount
Goods manufactured:								
Dye intermediates	-	-	-	-	-	-	-	-
Sulfuric Acid	389	2,467	-	-	224	945	389	2,467
(Equivalent production)								
Total		2,467		-		945		2,467
Class of Goods	Turnover							
	2010-11		2009-10					
	MT	Amount	MT	Amount	MT	Amount	MT	Amount
Goods manufactured:								
Dye intermediates								
Sulfuric Acid					29,995	145,818	15,130	54,225
(Equivalent production)								
Total						145,818		54,225

Notes forming part of the Accounts

8. Deferred Tax adjustments recognised in the financial statements:

(₹ in '000)

Particulars	Balance as at March 31, 2011	Charge credit during the year	Balance as at March 31, 2010
Deferred Tax Liabilities:			
on account of timing difference in			
(a) Depreciation impairment loss	(1,142)	294	(1,436)
	(1,142)	294	(1,436)
Deferred Tax Assets:			
on account of timing difference in			
(a) Provision for leave encashment	(29)	(10)	(19)
(b) Provision for doubtful debts	-	-	-
(c) Provision for doubtful advances	-	-	-
(d) Excise duty on closing stock	(27)	57	(84)
	(56)	47	(103)
Net deferred tax liability (assets)	(1,198)	341	(1,539)
In view of prudence, no deferred tax asset has been recognised as on March 31, 2011.			

9. Related party information:

(a) Name of related party and nature of relationship:

No.	Name of the related party	Description of relationship
Directly controlled Enterprises:		
1	Atul Limited	Investing company
2	Ameer Trading Corporation Limited	Investing company
3	Atul Europe Limited	Enterprise over which key managerial personnel exercise significant influence
Other related parties:		
4	Key management personnel:	
	Mr Sunil S Lalbhai	- Chairman
	Mr V Koppaka	- Managing Director
	Mr T R Gopi Kannan	- Director



Notes forming part of Accounts

(b) Transactions during the year with related parties

(₹ in '000)

Sr. No.	Nature of transaction	2010-2011			Total
		Atul Ltd	Ameer Trading Corporation Ltd	Atul Europe Ltd	
Outstanding balances with related parties as at March 31, 2011					
(A)	Advance against share capital				
	Balance as on March 31, 2011	-	24,000	-	24,000
		-	(24,000)	-	(24,000)
(B)	Unsecured Loans				
	Balance as on April 1, 2010	26,635	-	-	26,635
		(19,930)	-	-	(19,930)
	Taken during the year	27,323	-	-	27,323
	Balance as on March 31, 2011	53,958	-	-	53,958
		(26,635)	-	-	(26,635)
(C)	Sundry Debtors				
	Balance as on March 31, 2011	1,202	-	-	1,202
		(1,081)	-	-	(1,081)
(D)	Advance from Customers				
	Balance as on March 31, 2011	1,166	-	-	1,166
		-	-	-	-
(E)	Sundry Creditors				
	Balance as on March 31, 2011	11,627	298	130	12,054
		(10,796)	(298)	(130)	(11,224)
(F)	Secured Loans				
	Balance as on April 1, 2010	212,889	-	-	212,889
		(272,045)	-	-	(272,045)
	Taken during the year	-	-	-	-
	Repaid during the year	100,000	-	-	100,000
	Balance as on March 31, 2011	112,889	-	-	112,889
		(212,889)	-	-	(212,889)
(G)	Redeemable Preference Shares				
	Balance as on March 31, 2011	100,000	-	-	100,000
(H)	Income				
	Sales	69,937	-	-	69,937
		(19,205)	-	-	(19,205)
	Processing charges	-	-	-	-
		(147)	-	-	(147)
(I)	Expenses				
	Purchase of Fixed Assets	38,322	-	-	38,322
		-	-	-	-
	Lease Rent	144	-	-	144
		(149)	-	-	(149)
	Service Charges	1,122	-	-	1,122
		(1,909)	-	-	(1,909)
	Managerial Remuneration	492	-	-	492
	(Refer Note No.5 of Schedule No. 18)	-	-	-	-

Figures in the bracket indicate previous years figures.

(c) Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors.

Notes forming part of Accounts

10. Earning per Share:

Earning per Share (EPS) - The numerators and denominators used to calculate basic and diluted Earning per Share:

Particulars		March 31, 2011	March 31, 2010
Profit for the year attributable to the equity shareholders	(₹ in '000)	(37,148)	37,755
Basic weighted average number of equity shares outstanding during the year	Nos.	7,025,000	7,025,000
Nominal value of equity share	₹	10	10
Basic and Diluted Earning per Share	₹	(5.29)	5.37

The advance towards share capital of ₹ 24,000 ('000) has not been considered as a dilutive item.

11. Lease

- The Company has taken land on lease at Atul from M/s Atul Ltd for 97 years from February 3, 1996 on annual lease rent of ₹ 8,000/-.
- The Company has taken building and plant & machinery on operating lease at Ankleshwar on annual lease rent of ₹ 1,44,000/-. The operating lease contract has been renewed upto March 31, 2013.

12. Micro, Small and Medium Enterprise dues:

Sundry creditors include ₹ Nil due to Micro, Small and Medium Enterprises. Following is the information, required to be furnished as per Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006.

No. Particulars	March 31, 2011	March 31, 2010
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal	-	-
Interest	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Above disclosures have been made based on information available with the Company and relied upon by the Auditors.

13. Going Concern

The Company was declared sick by Board of Industrial and Financial Reconstruction (BIFR) on July 20, 2006 and BIFR vide its order dated July 16, 2009 had sanctioned the revival scheme for the Company. The Company has restarted its manufacturing operations at Ankleshwar site and has also enhanced capacity of Sulphuric Acid plant from 100 TPD to 120 TPD. Accordingly, the accounts have been prepared on going concern basis.



Notes forming part of Accounts

14. In view of introduction of Accounting Standard 28 on Impairment of Assets (AS 28) by the Institute of Chartered Accountants of India, the Company had reviewed the recoverable value of all its assets at its Bulk Chemical and Dye Intermediate Divisions as on April 01, 2004 and March 31, 2005. Due to non-remunerative prices for the products of its two divisions and the increasing costs of operations the viability of the businesses was affected and accordingly the Company had recognized an impairment loss for the assets of the two divisions in the year 2004-05 to the extent of ₹ 2,01,461 ('000). Since then the both divisions were closed. So, the Company had reviewed the recoverable value of all its assets at both divisions as on March 31, 2011 and accordingly the Company had recognized further impairment loss for the assets of the two divisions in the current year to the extent of ₹ 23,703 ('000). The same has resulted in full impairment of assets of the above divisions.

15. The BIFR vide its order dated July 16, 2009 had sanctioned revival scheme for the Company. The BIFR vide order dated June 18, 2010 modified the revival scheme. As per the sanctioned scheme the Company took several steps. The major steps are as follows:

- Issued Redeemable Preference Shares of ₹ 10 crores to Atul Ltd
- Enhanced capacity of Sulfuric Acid plant to 120 tpd from 100 TPD.
- Recasted the unsecured creditors at 30% of Principal dues. This has resulted into write back of ₹ 46,701 (₹ in '000) in the previous year 2009-10.

Subsequently, the Appellate Authority of Industrial and Financial Reconstruction (AAIFR) vide its order dated March 22, 2011 has allowed the appeal filed by a creditor setting aside the Modified Rehabilitation Scheme dated June 18, 2010 and remanded the case back to the BIFR for considering revival scheme through operating agency. The Company is taking necessary steps accordingly.

16. According to AS 17 on Segment Reporting, a business segment or geographical segment should be identified as a Reportable Segment if it satisfies certain prescribed criteria, moreover the disclosure requirements applies only in case of a reportable segment.

In the opinion of the management, the Company is being presently engaged in manufacturing of speciality chemicals & others. The products included being related and not subject to different risks and returns, as per management's contention, no separate reportable segments to be identified. And hence no separate segment information disclosure as per the requirements of AS 17 on Segment Reporting is applicable to the company.

17. Employee benefits

(A) Defined contribution plans:

- Provident fund
- State defined contribution plans
 - Employers' Contribution to Employees' State Insurance
 - Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognized the following amounts in the Profit and Loss Account for the year :

(₹ in '000)

Sr. No.	Particulars	2010-11	2009-10
i.	Contribution to Provident Fund	33	18
ii.	Contribution to Employees' Pension Scheme 1995	37	21
iii.	Contribution to Employees' State Insurance	39	2

(B) Defined benefit plans:

- Gratuity
- Leave Encashment

The Gratuity Fund is maintained with the LIC of India under Group Gratuity Scheme.

Leave Encashment is payable to eligible employees who have earned leaves, during the employment and/or on seperation as per the Company's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions :

Notes forming part of Accounts

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2010-11	2009-10	2010-11	2009-10
i.	Discount Rate (per annum)	7.93%	-	8.00%	-
ii.	Rate of increase in Compensation levels	6.00%	-	6.00%	-
iii.	Rate of Return on Plan Assets	9.00%	-	0.00%	-
iv.	Expected Avg. remaining working lives of employees in no. of years	6	-	9	-

(₹ in '000)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2010-11	2009-10	2010-11	2009-10
(i)	Changes in present value of obligation				
	Opening balance of Present value of Obligation	277.47	-	87.51	-
	Liability on transfer in / (out) of Employees (Net)	-	-	-	-
	Interest Cost	22.00	-	7.31	-
	Current Service Cost	24.41	-	36.62	-
	Benefits Paid	(71.94)	-	-	-
	Actuarial (Gain) / Loss	74.33	-	(5.69)	-
	Closing balance of Present value of Obligation	326.27	-	125.75	-
(ii)	Changes in Fair Value of plan assets				
	Opening balance of Present value of Plan Assets	1,019.89	-	-	-
	Planned Assets on transfer in / (out) of Employees (Net)	-	-	-	-
	Expected return on Plan Assets	92.58	-	-	-
	Contributions	3.27	-	-	-
	Benefits Paid	(71.94)	-	-	-
	Actuarial Gain / (Loss) on Plan Assets	(6.32)	-	-	-
	Closing balance of Fair value of Plan Assets	1,037.48	-	-	-
(iii)	Percentage of each category of Plan assets to total fair value of Plan assets as at March 31, 2011				
	Administered by LIC of India	100.00%	-	-	-
(iv)	Reconciliation of Present Value of Defined Present Obligations and the Fair Value of Assets				
	Closing balance of Present Value of Obligations	326.27	-	125.75	-
	Closing balance of Fair value of Plan Assets	1,037.48	-	-	-
	(Asset) / Liability recognised in the Balance Sheet	(711.21)	-	125.75	-
(v)	Amounts recognised in the Balance Sheet				
	Closing balance of Present Value of Obligations	326.27	-	125.75	-
	Closing balance of Fair value of Plan Assets	1,037.48	-	-	-
	Funded (Asset) / Liability recognised in the Balance Sheet	(711.21)	-	125.75	-
	Unfunded (Asset) / Liability recognised in the Balance Sheet	-	-	-	-



Notes forming part of Accounts

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2010-11	2009-10	2010-11	2009-10
(vi)	Expenses recognised in the Profit and Loss Account				
	Current Service Cost	24.41	-	36.62	-
	Interest Cost	22.00	-	7.31	-
	Expected Return on Plan Assets	(92.58)	-	-	-
	Net Actuarial (Gain) / Loss	80.64	-	(5.69)	-
	Expenses recognised in the Profit and Loss Account	34.48	-	38.24	-
(vii)	(a) Experience adjustments				
	On Plan Liabilities (Gain) / Loss	-	-	-	-
	On Plan Assets (Gain) / Loss	-	-	-	-
	Total Experience Adjustments	-	-	-	-
	(b) Adjustments due to change in assumptions	-	-	-	-
(viii)	Expected Employer's Contribution for the next year				
	(i) Present Value of the Defined Benefit Obligation	326.27	-	125.75	-
	(ii) Fair Value of the Plan Assets	1,037.48	-	-	-
	(iii) Surplus / (Deficit) in the Plan	711.21	-	(125.75)	-
	(iv) Experience adjustments on Plan Liabilities (Gain) / Loss		-	-	-
	(v) Experience adjustments on Plan Assets (Gain) / Loss		-	-	-

Note : Since the Company had adopted AS - 15 (Revised) - "Employee Benefit" for the first time during the financial year ended March 31, 2011, hence the disclosure for gratuity and leave encashment figures as required by Para 120(n) have not been presented for the financial year prior to 2009-10.

18. Balances of suppliers, customers, advances and loans are subject to confirmation and reconciliation if any.
19. Prior period income represents excess premium paid to Life Insurance Corporation of India in earlier years towards Group Gratuity as per actuarial valuation done as on March 31, 2011.
20. Advance against share capital amounting to ₹ 240 lacs refers to the amount received from the promoter Company as advance towards then proposed right issue during the year 1996-97 which has not been refunded.
21. During the year the Company has not entered into any transaction in nature of loans and advances which falls within the purview of clause 32 of the listing agreement.
22. Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable with current year's figures. Further, financial statements of the previous year were audited by firm of Chartered Accountants other than M/s Haribhakti & Co.

For and on behalf of the Board of Directors

Naresh C Singhal

T R Gopi Kannan

Sujal A Shah

Abhay R Jadeja
Directors

Sunil S Lalbhai
Chairman

Vasudev Koppaka
Managing Director

Place : Mumbai
Date : May 14, 2011

Statement Pursuant to Part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and General Business Profile of the Company

I. Registration Details

Registration No.	17594	State Code	11
Balance Sheet Date	31.03.2011		

II. Capital Raised during the year (Amount in ₹ '000)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	100,000

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ '000)

Total Liabilities	451,348	Total Assets	451,348
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Sources of Funds

Paid up Capital	194,250	Reserve & Surplus	90,248
Secured Loans	112,889	Unsecured loans	53,961
Deferred Tax Liability (net)	-		

Application of Funds

Net Fixed Assets	48,193	Investments	210
Net Current Assets	402,946		

IV. Performance of Company (Amount in ₹ '000)

Turnover (including other income)	131,990	Total Expenditure	169,139
Profit before Tax	(37,150)	Profit after Tax	(37,150)
Earning per Share (equity) ₹	(5.29)	Dividend Rate	-

V. Generic Names of Three Principal Products|services of Company (as per monetary terms)

Product Description	Item Code No. (ITC Code)
C-Acid	29222119
Sulphuric Acid	28070001
H-Acid	29222106

Notes

[illegible]

Notes

[illegible]

Notes

[illegible]

Notes

[illegible]



Amal Ltd

Registered Office: 310B Veer Savarkar Marg, Dadar West, Mumbai 400028, Maharashtra, India.

ATTENDANCE SLIP

37th Annual General Meeting

August 09, 2011

DP id		Folio Client id No	
-------	--	----------------------	--

Full name of the Shareholder | Proxy attending the meeting

(First Name) (Middle Name) (Surname)

FIRST HOLDER | JOINT HOLDER | PROXY

(Strike out whichever is not applicable)

Full name of the First holder (If Joint holder | Proxy attending)

(First Name) (Middle Name) (Surname)

Signature of the Shareholder | Proxy



Amal Ltd

Registered Office: 310B Veer Savarkar Marg, Dadar West, Mumbai 400028, Maharashtra, India.

PROXY FORM

DP id		Folio Client id No	
-------	--	----------------------	--

I | We.....of.....

(Full Address)

in the State of.....being a Member(s) of Amal Ltd,

hereby appoint.....

(Name in Block Letters)

of.....or failing

(Full Address)

him | her.....of.....

(Name in Block Letters)

(Full Address)

as my | our proxy to vote for me | us on my | our behalf at the 37th Annual General Meeting of the Company to be held on Tuesday, August 09, 2011, at 3.00 p.m. at Walchand Hirachand Hall, 4th Floor, LNM - IMC Building, IMC Marg, Churchgate, Mumbai 400020, Maharashtra, India and at any adjournment thereof.

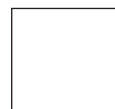
As WITNESS my | our hand | hands is | are affixed this.....day of.....2011

(Date)

(Month)

Note: 1. The Proxy need not be a Member of the Company.

2. The Proxy Form duly signed across revenue stamp should reach Registered Office of the Company at least 48 Hours before the time of the meeting.



Signature of the Member

Corporate Information

Directors

Mr S S Lalbhai
(Chairman)

Mr V Koppaka
(Managing Director)

Mr T R Gopi Kannan

Mr N C Singhal

Mr S A Shah
*(Additional Director with effect
from September 24, 2010)*

Mr A R Jadeja
*(Additional Director with effect
from September 24, 2010)*

Compliance Officer

Mr S Chandalia

Auditors

Haribhakti & Co

Cost Auditors

R Nanabhoy & Co

Registered Office

310-B, Veer Savarkar Marg
Mumbai 400028
Maharashtra, India

Head Office

Atul 396020, Gujarat, India.
E-mail: amal@amal.co.in
Website: www.amal.co.in

Bankers

AXIS Bank
State Bank of India

Amal Ltd
310-B Veer Savarkar Marg
Mumbai 400028
Maharashtra, India



Lalbhai Group