

ANNUAL REPORT 2011-12

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ALKYL

Alkyl Amines Chemicals Limited

FINANCIAL HIGHLIGHTS

₹ in Lakhs

Year Ending	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011	31.03.2012
Gross Revenue (including excise duty)	10,469.37	10,515.22	11,599.21	12,954.63	15,160.28	17,998.29	22,280.47	23,739.97	25,461.73	31,084.50
Operating Profit	1,857.92	1,609.10	1,463.30	1,635.38	2,491.26	2,781.12	2,690.41	3,646.52	3,309.74	4,361.98
Profit before Tax	567.39	430.09	347.37	602.95	1,123.66	1,362.37	822.79	1,589.86	1,360.68	2,368.25
Profit After Tax	351.21	238.77	261.02	416.92	865.97	956.23	402.20	1,003.68	1,040.49	1,716.38
Gross Fixed Assets	10,282.49	10,891.91	11,933.98	12,849.49	13,518.07	15,495.42	17,787.74	18,846.29	20,344.44	21,913.58
Net Fixed Assets	6,893.58	7,024.24	7,577.57	8,008.13	8,069.14	9,419.20	11,005.58	11,202.16	12,120.15	12,798.36
Net Current Assets	4,034.19	3,898.01	3,090.71	5,503.74	6,949.13	7,576.35	10,234.62	8,605.62	7,636.74	8,949.42
Equity Share Capital	886.49	886.49	886.49	886.49	886.49	886.49	1,020.61	1,020.61	1,020.61	1,020.61
Reserve & Surplus	3,653.08	3,900.97	4,040.86	4,411.95	5,232.42	5,922.30	7,122.46	7,662.72	8,199.97	9,535.58
[Including Deferred Taxation (Net)]										
Book Value (₹)	51.22	54.01	55.59	59.78	69.03	76.82	79.85	85.15	90.41	103.51
Earning per Share - Basic (₹)	3.96	2.69	2.94	4.70	9.58	10.00	3.94	9.84	10.20	16.83
Equity Dividend (%)	12.00	12.00	15.00	18.00	22.00	25.00	20.00	30.00	30.00	40.00
Financial Ratios										
Net Sales to Gross Fixed Assets (%)	89.24	83.68	83.42	86.10	95.34	100.70	109.53	113.44	113.96	128.47
Return on Capital Employed (%)	15.15	14.06	11.79	13.87	20.45	22.99	18.86	25.05	18.29	24.58
Return on Net worth (%)	7.74	4.99	5.30	7.87	12.16	12.24	4.94	11.56	11.28	16.26
PAT to Net Sales (%)	3.83	2.62	2.62	3.77	6.72	6.13	2.06	4.69	4.49	6.10

Note: Financial Highlights are prepared for 2010-11 and 2011-12 based on Revised Schedule VI

MANAGEMENT TEAM*Chairman & Managing Director***Yogesh M. Kothari***Executive Director***Kirat Patel***Executive Director***Suneet Y. Kothari***Vice President (Technical)***Sameer S. Katdare***Vice President (Manufacturing)***R. N. Iyer***General Manager (P & A)***S. S. Khade***General Manager
(Technology Development)***S. Saimani***General Manager (Marketing)***Girish Naik***General Manager
(R&D & Business Dev.)***Dr. Prasanna Somalwar***General Manager
(Finance & Accounts)***S. Giridhar***General Manager (Works)***Milind Deshmukh***General Manager (Works)***Sagar Jadhav***General Manager (Commercial)***Sameer Deshpande***General Manager
(Secretarial & Legal)***K. P. Rajagopalan****Non-Executive Directors :****Hemendra M. Kothari****Shyam B. Ghia****Shobhan M. Thakore****Dilip G. Piramal****Premal N. Kapadia****K. R. V. Subrahmanian****Tarjani Vakil****Rima Marphatia** (Nominee Director) - upto 17.4.2012**Meena Verma** (Nominee Director) - w.e.f. 18.4.2012**Registered Office :**

401-407, Nirman Vyapar Kendra,
Plot No. 10, Sector 17, DBC, Vashi, Navi Mumbai 400 703.
Ph. 67946618 • Fax : 67946666 • Email : legal@alkylamines.com

Plants :**Patalganga Plant**

Plot No. A-7 & A-25,
MIDC Patalganga Industrial Area, Dist. Raigad 410 220, Maharashtra

Kurkumbh Plant :

Plot No. D-6/1 & D-6/2, MIDC Kurkumbh Industrial Area,
Tal. Daund, Dist. Pune - 413802, Maharashtra

Auditors

Messrs Banshi S. Mehta & Co.

Bankers

State Bank of India
Axis Bank Ltd.
Standard Chartered Bank

Registrar & Transfer Agents**Sharex Dynamic (India) Pvt. Ltd.**

Unit No. 1, Luthra Ind. Premises, 1st Floor,
44-E, M. Vasanji Marg, Andheri Kurla Road,
Safed Pool, Andheri (E), Mumbai - 400 072
Ph.: 28515606, 28515644 • Fax : 022 2851 2885
Email : sharexindia@vsnl.com • Website : www.sharexindia.com

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ALKYL

ALKYL AMINES CHEMICALS LIMITED

Registered office: 401-407 Nirman Vyapar Kendra,
Plot No. 10, Sector 17, DBC, Vashi, Navi Mumbai-400 703

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting of **ALKYL AMINES CHEMICALS LIMITED** will be held at Chandragupt Hall, 2nd Floor, Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703 on Tuesday, August 7, 2012 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2012.
3. To appoint a Director in place of Mr. Hemendra M. Kothari, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. K.R.V. Subrahmanian, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Suneet Kothari, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, and subject to any other approval as may be necessary, the Company hereby approves the terms of appointment and remuneration of Mr. Suneet Kothari as Executive Director of the Company for a further period of three years from

January 1, 2012 to December 31, 2014, on terms and conditions as set out in the Explanatory Statement annexed hereto, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment as may be agreed between the Board and Mr. Suneet Kothari."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, and subject to any other approval as may be necessary, the Company hereby approves the terms of re-appointment and remuneration of Mr. Kirat Patel as Executive Director of the Company for a further period of 3 years from January 1, 2012 to December 31, 2014, on terms and conditions as set out in the Explanatory Statement annexed hereto, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment as may be agreed between the Board and Mr. Kirat Patel."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, and subject to any other approval as may be necessary, the Company hereby approves the terms of re-appointment and remuneration of Mr. Yogesh M. Kothari as Chairman & Managing Director for a further period of three years from April 1, 2012 to March 31, 2015, on terms and conditions as set out in the Explanatory Statement annexed hereto, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment as may be agreed between the Board and Mr. Yogesh Kothari."

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

“RESOLVED THAT pursuant to the provisions of Sections 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the Directors of the Company (other than the Managing Director and the Executive Directors) together be paid a commission of such an aggregate amount as may from time to time be determined by the Board of Directors but not exceeding 1% of the net profits of the relevant accounting year of the Company as computed in the manner prescribed under section 198 of the said Act and the said aggregate amount shall be divided amongst such Directors in such proportion and in such manner as may be decided by the Board of Directors in that behalf”.

“RESOLVED FURTHER THAT the commission as aforesaid shall be payable to the directors (other than the Managing Director and the Executive Directors) of the Company, commencing from the accounting year beginning on 1st April, 2012 for a period of 5 years”.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps as may be necessary and desirable to give effect to this Resolution”.

NOTES

1. The relative explanatory statement pursuant to the provisions of Corporate Governance and pursuant to section 173 of the Companies Act, 1956 is enclosed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
3. The register of members and Share Transfer Books will remain closed from July 31, 2012 to August 7, 2012 (both days inclusive) for the purpose of Annual General Meeting and Dividend.
4. Dividend, if declared at the meeting, will be paid on and from 14th August, 2012 to those shareholders whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on July 30, 2012.
5. Please note that pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividends upto July 2004 have been transferred to the Account of Central Government.
6. We have been offering the facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS). This is in addition to the Bank mandate facility that already exists whereby bank account details are printed on the dividend warrants. Shareholders who would like to avail of the ECS facility or the Bank mandate facility (if not done earlier) are requested to complete and submit the ECS/Bank Mandate Form that is also sent with this Annual Report to the Company's Registrar and Transfer Agents so as to reach them latest by July 30, 2012. Kindly note that shareholders holding shares in dematerialised form would receive their dividend directly to the bank account nominated by them to their Depository Participant, as per SEBI directives.
7. The members are requested to notify change of address, if any, to the Company's Registrar and Transfer Agent.
8. The shareholders holding shares in physical form are once again advised to seek their shareholding changed to dematerialized form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded in the Stock Exchanges.
9. The members may note that the company's Equity Shares are listed on the Mumbai stock exchange and National Stock Exchange and the listing fees to the stock exchanges have been paid.

By order of the Board

K. P. RAJAGOPALAN

General Manager (Secretarial & Legal)

Registered Office :

401-407, Nirman Vyapar Kendra, Plot No. 10,
Sector 17, DBC, Vashi, Navi Mumbai 400 703.

Dated: May 22, 2012

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER CORPORATE GOVERNANCE AND
UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM 3

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

Mr. H.M. Kothari, aged 65 years, has been on our Board since October 18, 1980. Mr. H.M. Kothari, is Chairman of DSP BlackRock Investment Managers Pvt. Ltd.

At present, he is also on the Board of the following Companies.

1. EXIDE Industries Limited
2. Food World Super Markets Pvt. Ltd.
3. Health & Glow Retailing Pvt. Ltd.
4. Shuko Real Estate Pvt. Ltd.
5. Arko Dealers Pvt. Ltd.
6. Arko Enterprises Pvt. Ltd.
7. Bestow Contractors and Developers Pvt. Ltd.
8. DSP HMK Holdings Pvt. Ltd.
9. DSP Investment Pvt. Ltd.
10. DSP Adiko Holdings Pvt. Ltd.
11. Hemko Patents Development Pvt.Ltd.
12. MVL Realty Pvt. Ltd.
13. SAK Forex Markets Pvt. Ltd.

With his vast experience in the business, it will be in the interest of the Company that Mr. H.M. Kothari continues as Director of the Company.

Mr. H.M. Kothari is the brother of Mr. Yogesh M. Kothari, Chairman & Managing Director and uncle of Mr. Suneet Kothari, Executive Director.

Mr. H.M. Kothari alongwith his relatives and entities controlled by them hold 7566394 equity shares (constituting approx. 74.19% of the equity capital) of the company.

Mr. H.M. Kothari is interested in the Resolution, since it relates to his own re-appointment. Mr. Yogesh M. Kothari and Mr. Suneet Kothari, may be considered to be interested in the Resolution, since Mr. H.M. Kothari is their relative.

ITEM 4

Mr. K.R.V. Subrahmanian retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

Mr. Subrahmanian, aged 78 years, has been on the Board of the Company since July 28, 2000. He is Chairman of our Audit Committee.

Mr. K.R.V. Subrahmanian is on the Board of the following companies.

1. DSP BlackRock Investment Managers Private Limited
2. Bayer Material Science Private Limited
3. Lanxess India Private Limited
4. New Consolidated Construction Company Limited
5. Printcare India Private Limited

He is also member of the following Committees:

1. DSP BlackRock Investment Managers Pvt. Ltd. (Chairman of Audit Committee)
2. New Consolidated Construction Company Limited (Chairman of Remuneration Committee)

With his vast experience in the Industry, it will be in the interest of the Company that Mr. Subrahmanian continues as Director of the Company. Except Mr. Subrahmanian, no other Director is interested in this resolution.

ITEM 5 AND 7

Mr. Suneet Kothari, Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment

At the Annual General Meeting held on July 25, 2007 the shareholders had approved appointment of Mr. Suneet Kothari as Executive Director for a period of 5 years from January 1, 2007 to December 31, 2011. The Board of Directors at its meeting held on January 24, 2012 has reappointed Mr. Suneet Kothari as Executive Director for a further period of 3 years from January 1, 2012 to December 31, 2014 upon the terms and conditions including remuneration as set out hereunder.

The appointment of Mr. Suneet Kothari as an Executive Director and the remuneration proposed to be paid or granted to him are in conformity with the provisions and requirements of Schedule XIII to the Companies Act, 1956. Accordingly no approval of the Central Government is required to be obtained to the appointment of Mr. Suneet Kothari as an Executive Director.

Mr. Suneet Kothari is working with us since January 15, 2001. Mr. Suneet Y. Kothari aged 35 years, is a Chemical Engineer and Chemistry/Biochemistry

Graduate from Cornell University, U.S.A. Prior to employment with us, he has one and half years' experience with Diamond Technology Partners, U.S.A. as a Management Strategy Consultant. During his tenure with us since January 2001, he played a significant role in setting up the new product development effort and seeing it started off successfully. He has successfully completed a one year MBA (Masters in Business Administration) course at INSEAD, France / Singapore.

Mr. Suneet Kothari is on the Board of Alkyl Speciality Chemicals Limited and Alkyl Amines Europe SPRL (subsidiaries of this company). He is also on the Board of the following two companies :

- 1) Ambika Technologies Pte., Ltd., Singapore
- 2) Purjeeko Trading & Investment Pvt.Ltd.

Present remuneration of Mr. Suneet Kothari, as approved by the shareholders is ₹ 1,44,000 per month plus other perquisites like medical, LTA, Mediclaim, Provident Fund, Gratuity, etc. He is also entitled for 1% commission on net profits.

The material terms of the draft agreement referred to in the resolution at item no.7 of the notice are as under :

- a) Salary: In the range of ₹ 1,69,000/- to ₹ 2,19,000/- per month with annual increment of ₹ 25,000/-.
- b) House Rent Allowance: Not exceeding 60% of basic salary.
- c) Medical reimbursement - Reimbursement of actual medical expenses/premium on Mediclaim policy incurred for self and family not exceeding ₹ 50,000/- per annum.
- d) Leave Travel Concession - Reimbursement of actual expenses for self and family once in a year to and fro to any place not exceeding ₹ 75,000/- per annum.
- e) Premium on Personal Accident/Critical Illness/life for self not exceeding ₹ 10,000/- per annum.
For the purpose of this category, 'family' means the spouse, the dependent children and dependent parents.
- f) Use of company car and re-imbursement of driver's salary.
- g) Telephone facilities
- h) Provident Fund - Company's contribution to Provident Fund.
- i) Education Allowance: ₹ 12,000 per annum.
- j) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

- k) Commission: One percent commission on net profit as calculated under the applicable provisions of The Companies Act, 1956. In the event of loss or inadequacy of profits, he shall be paid the above remuneration, except commission on profits, provided that the total remuneration shall not exceed the ceilings mentioned in Schedule XIII of the Companies Act, 1956.

- l) The Executive Director shall be entitled on full pay and allowance, as per rules of the company, not more than 30 days' leave per annum. The leave accumulated but not availed of can be encashed by him at the end of the tenure.
- m) The Executive Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment, etc.) for and on behalf of the company.

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

Mr. Suneet Kothari is son of Mr. Yogesh M. Kothari (Promoter) and nephew of Mr. Hemendra M. Kothari. They alongwith their relatives and entities controlled by them hold 75,66,394 equity shares (approx. 74.19% of the equity capital) of the company. As on March 31, 2012 a sum of ₹ 13.90 crores is kept with the company by way of loan/inter corporate deposit by the entities controlled by them/their relatives.

This may please be treated as an abstract of the terms and conditions regarding the re-appointment of Mr. Suneet Kothari as an Executive Director pursuant to the provisions of section 302 of The Companies Act, 1956.

The draft agreement to be entered into between the Company and Mr. Suneet Kothari incorporating the above particulars of remuneration, is available for inspection at the Registered Office of the Company on all working days excluding Saturdays and Sundays and other public holidays up to the date of the General Meeting during business hours.

Mr. Suneet Kothari is interested in the Resolution, since it relates to his own re-appointment. Mr. Yogesh M. Kothari and Mr. Hemendra M. Kothari, may be considered to be interested in the Resolution, since Mr. Suneet Kothari is their relative.

ITEM 8

At the Annual General Meeting held on July 25, 2007 the shareholders had approved appointment of Mr. Kirat Patel as Executive Director for a period of 5 years from January 1, 2007 to December 31, 2011. The Board

of Directors at its meeting held on January 24, 2012 has reappointed Mr. Kirat Patel as Executive Director for a further period of 3 years from January 1, 2012 to December 31, 2014 upon the terms and conditions including remuneration as set out hereunder.

The reappointment of Mr. Kirat Patel as an Executive Director and the remuneration proposed to be paid or granted to him are in conformity with the provisions and requirements of Schedule XIII to the Companies Act, 1956. Accordingly no approval of the Central Government is required to be obtained to the appointment of Mr. Kirat Patel as an Executive Director.

Mr. Kirat Patel, aged 59, is B.Tech., Mechanical Engineering from Indian Institute of Technology, Mumbai, and M.M.S. (Finance) from Jamnalal Bajaj Institute of Management, Mumbai, and has been working with the Company since its inception. He is Director and a member of Audit Committee of Diamines & Chemicals Limited (a company in which our company holds around 32% of the shareholding) and Director of Alkyl Speciality Chemicals Limited and Alkyl Amines Europe SPRL (subsidiaries of this company). He is also director of the following Companies:

- 1) Anjyko Investments Private Limited
- 2) Purjeeko Investment & Trading Private Limited
- 3) YMK Trading & Consultancy Private Limited
- 4) Niyoko Trading & Consultancy Private Limited
- 5) SYK Trading & Consultancy Private Limited

Present remuneration of Mr. Kirat Patel, as approved by the shareholders, is ₹ 1,80,000 per month plus other perquisites like HRA, Medical, LTA, Mediclaim, Provident Fund, Gratuity, etc. He is also entitled for 1% commission on net profits.

The material terms of the draft agreement referred to in the resolution at item no.7 of the notice are as under :

a) Basic Salary:

In the range of ₹ 205,000/- per month to ₹ 2,55,000/- per month over the period of 3 years with an annual increment of ₹ 25,000/-.

- b) House Rent Allowance : 60% of basic salary
- c) Medical reimbursement: Reimbursement of actual medical expenses/premium on Mediclaim policy incurred for self and family not exceeding ₹ 50,000 per annum.
- d) Leave Travel Concession : Reimbursement of actual expenses for self and family once in a year to and fro to any place not exceeding ₹ 75,000/- per annum.
- e) Premium on Personal Accident Insurance/critical illness/life for self not exceeding ₹ 10,000/- per annum.

- f) Use of company car and re-imbursement of driver's salary.
- g) Telephone facilities
- h) Provident Fund: Company's contribution to Provident Fund
- i) Education Allowance: ₹ 12,000 per annum.
- j) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- k) Commission: One percent commission on net profit as calculated under the applicable provisions of The Companies Act, 1956. In the event of loss or inadequacy of profits, he shall be paid the above remuneration, except commission on profits, provided that the total remuneration shall not exceed the ceilings mentioned in Schedule XIII of the Companies Act, 1956.
- l) The Executive Director shall be entitled on full pay and allowance, as per rules of the company, not more than 30 days' leave per annum. The leave accumulated but not availed of can be encashed by him at the end of the tenure.
- m) The Executive Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment, etc.) for and on behalf of the company.

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

Mr. Kirat Patel alongwith his relatives hold 72,002 equity shares (constituting 0.71% of the equity capital) of the company.

This may please be treated as an abstract of the terms and conditions regarding the re-appointment of Mr. Kirat Patel as an Executive Director pursuant to the provisions of section 302 of The Companies Act, 1956.

The draft agreement to be entered into between the Company and Mr. Kirat Patel incorporating the above particulars of remuneration, is available for inspection at the Registered Office of the Company on all working days excluding Saturdays and Sundays and other public holidays up to the date of the General Meeting during business hours.

Mr. Kirat Patel is interested in the Resolution, since it relates to his own re-appointment.

ITEM 9

At the Annual General Meeting held on July 29, 2009 the shareholders had approved appointment of Mr. Yogesh M. Kothari as Chairman & Managing Director for a period of 3 years from April 1, 2009 to March 31, 2012. The Board of Directors at its meeting held on January 24, 2012 has approved reappointment of Mr. Yogesh Kothari as Chairman & Managing Director for a further period of 3 years from April 1, 2012 to March 31, 2015 on the remuneration determined by the Remuneration Committee of the Board of Directors, subject to the approval of Shareholders by way of a Special Resolution.

The reappointment of Mr. Yogesh M. Kothari as Chairman & Managing Director and the remuneration proposed to be paid or granted to him are in conformity with the provisions and requirements of Schedule XIII to the Companies Act, 1956.

The information required to be disclosed to the shareholders as per Schedule XIII to the Companies Act, 1956 (with respect of the reappointment of the Chairman & Managing Director and Executive Directors) is as under:

The Company is engaged in the manufacture of Speciality Chemicals, i.e. Aliphatic Amines and Amines Derivatives. The Company started commercial production in 1982. During the financial year ended 31st March, 2012, the total income was ₹ 318.38 crores and the Company made a profit before tax of ₹ 23.68 crores. The Company has achieved the export sales of ₹ 63.61 crores (FOB) during the Financial Year ended on 31st March, 2012.

For more details about the operations of the company, please refer to the Management Discussion and Analysis Report attached to Directors' Report.

There are no foreign investments or collaborations in the Company, except investment by Non-resident Indians.

Mr. Yogesh M. Kothari aged 63 years is a Chemical Engineer from Institute of Chemical Technology, Mumbai. He is also Master of Management Science and Master of Science-Chemical Engineering, from the University of Massachusetts, Lowell, U.S.A. He promoted this company in 1979. He has more than 34 years experience in chemical industry.

He is Chairman of Diamines & Chemicals Limited (a company in which our company holds around 30% of the shareholding) and Alkyl Speciality Chemicals Limited and Alkyl Amines Europe SPRL (subsidiaries of this company). He is Vice President of Indian Chemical Council.

He is also on the Boards of the following companies:

- 1) Anjyko Investment Pvt. Ltd.
- 2) YMK Trading & Consultancy Pvt. Ltd.
- 3) SYK Trading & Consultancy Pvt. Ltd.
- 4) Niyoko Trading & Consultancy Pvt. Ltd.
- 5) Diamines Specility Chemicals Pvt. Ltd.

He is Chairman of the Investors Grievance Committee of Diamines and Chemicals Limited and a member of Investors Grievance Committee of this Company.

In 1998 he was awarded the prestigious Lalit Doshi Memorial Award being promoter of the best SICOM assisted company for the year 1996-97 in Chemicals and Plastics set up by a first generation entrepreneur.

Mr. Yogesh M. Kothari, being Chairman & Managing Director, is incharge of overall management of the company.

Present remuneration of Mr. Yogesh Kothari, as approved by the shareholders, is ₹ 4,50,000 per month plus other perquisites like HRA, Medical, LTA, Mediclaim, Provident Fund, Gratuity, etc. He is also entitled for commission on net profits so that total remuneration shall not exceed 5% of the net profits..

The material terms of the draft agreement referred to in the resolution at item no.9 of the notice are as under :

- a. Basic Salary : In the range of ₹ 4,90,000/- to ₹ 5,70,000/- with annual increment of ₹ 40,000/- per month.
- b. Housing 1: Expenditure incurred by the company on hiring unfurnished accommodation will be subject to the ceiling namely 60% of the salary;
Housing 2: In case the accommodation is owned by the company, 10% of the salary shall be deducted by the Company;
Housing 3: In case no accommodation is provided by the Company, a house rent allowance subject to the ceiling laid down in Housing 1 above shall be paid;
- c. The Company shall also pay for actual expenses incurred on gas, electricity, water and furnishings and prequisites value of which shall be valued as per Income-tax Rules, 1962;
- d. Medical reimbursement: Reimbursement of actual medical expenses for self and family;
- e. Leave Travel Concession: Reimbursement of actual expenses for self and family once in a year to and fro to any place;

- f. Club fees: Fees of clubs subject to a maximum of 3 clubs will be allowed;
- g. Premium on personal accident insurance premium on life insurance and medicliam policy for self and family; For the purpose of this category, family means self, spouse and dependent children.
- h. Free use of car and driver;
- i. Telephone facilities at residence;
- j. Provident Fund: Company's contribution to Provident Fund/Public Provident Fund/Superannuation Fund not exceeding 27% of the salary;
- k. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- l. The Company shall pay commission on net profits at such percent to the Managing Director, provided that the total remuneration shall not exceed 5% of the net profits;
- m. In the event of loss or inadequacy of profits in any particular financial year, he shall be paid the above remuneration except commission on profits, provided that the total remuneration shall not exceed the ceilings mentioned in Schedule XIII of the Companies Act, 1956 or ₹ 100 lacs, whichever is higher (subject to Government approval, wherever applicable);

The Chairman & Managing Director shall be entitled, on full pay and allowances, as per rules of the company not more than 30 days leave per annum. The leave accumulated but not availed of can be encashed by him at the end of his tenure.

The remuneration payable to Shri Yogesh M. Kothari is in consonance with the remuneration being paid by the other companies of similar size in the industry to their Chief Executive Officers.

Mr. Yogesh M. Kothari is the Promoter of the Company. As on March 31, 2012 he alongwith his relatives and entities controlled by him hold 7566394 equity shares (constituting 74.19% of the equity capital) of the company. As on March 31, 2012, a sum of ₹ 13.90 crores is kept with the company by way of unsecured loan/inter corporate deposit by him and the entities controlled by him/his relatives.

The draft agreement to be entered into between the Company and Shri Yogesh M. Kothari incorporating the above particulars of remuneration, is available for

inspection at the Registered Office of the Company on all working days excluding Saturdays and Sundays and other public holidays up to the date of the General Meeting during business hours.

This may please be treated as an abstract of the terms and conditions regarding the re-appointment of Mr. Yogesh Kothari as Chairman & Managing Director pursuant to the provisions of section 302 of The Companies Act, 1956.

Mr. Yogesh M. Kothari is interested in this resolution, since it relates to his reappointment. Mr. Hemendra M. Kothari and Mr. Suneet Kothari, being relatives of Mr. Yogesh Kothari, may be deemed to be interested in the Resolution.

ITEM 10

At the Annual General Meeting held on July 25, 2007 the shareholders had approved payment of a commission not exceeding 1% of the net profits of the company to the Directors (other than Managing Director and the Executive Directors) for a period of 5 years commencing from the accounting year beginning from 1st April, 2007. As the provision for payment of commission was upto the Accounting Year ended on March 31, 2012, fresh resolution is proposed approving payment of commission not exceeding 1% of the net profits to the Directors (other than Managing Director and the Executive Directors) for a further period of 5 years commencing from the accounting year beginning 1st April 2012.

The increasing business activities of the company require the Board of Directors to devote more time and attention. Hence, it is considered fair and proper to compensate the Directors for the services rendered by them to the company, by paying of the appropriate amount by way of commission on the net profits of the company.

All the Directors of the company (except Mr. Yogesh Kothari, Mr. Kirat Patel and Mr. Suneet Kothari) may be regarded as concerned or interested in the Resolution.

By order of the Board

K. P. RAJAGOPALAN

General Manager (Secretarial & Legal)

Registered Office :

401-407, Nirman Vyapar Kendra, Plot No. 10,
Sector 17,DBC, Vashi, Navi Mumbai 400 703.

Dated: May 22, 2012

DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

Your Directors take pleasure in presenting the 32nd Annual Report and Audited Statement of Accounts of the Company for the financial year ended March 31, 2012.

1. FINANCIAL RESULTS:

	2011-12 ₹ In Lakhs	2010-11 ₹ In Lakhs
Total Revenue (including Excise & Sales tax)	31838	26058
Total Revenue (net of taxes)	29033	23767
Profit before interest, depreciation & Taxation	4362	3309
Interest & financial expenses	1103	1032
Depreciation	891	917
Profit before tax	2368	1360
Provision for tax	652	320
Net Profit after tax	1716	1040
Add: balance profit b/f	2872	2293
Profit available for appropriation	4588	3333
Transfer to General Reserve	172	105
Equity Dividend	408	306
Tax on dividends	66	50
Balance profit carried to balance sheet	3942	2872

2. DIVIDENDS:

We recommend for your approval payment of dividend at ₹ 4 /- per Equity Share on Equity Shares of ₹ 10/- each for the year ended March 31, 2012 (Previous Year: ₹ 3/- per share). The total amount of dividend including Income tax thereon would amount to ₹ 474 lacs (Previous Year ₹ 356 lacs).

3. OPERATIONS:

Sales of products registered a 21% increase in value (including excise duty) from ₹ 24879 lacs to ₹ 30203 lacs. Profit before tax (after interest and depreciation charges) increased to ₹ 2368 lacs compared to ₹ 1360 lacs of the previous year. During the year 2011-2012 we have achieved profit after tax of ₹ 1716 lacs compared to ₹ 1040 lacs of the previous year.

Further details of operations are given in the Management Discussion and Analysis Report annexed (Annexure 1).

4. NEW PROJECTS:

We have commissioned on March 14, 2012 the new plant to commercially produce Acetonitrile, a chemical, which has applications in pharma and agrochemical sectors. During the year, we have debottlenecked the capacities to produce enhanced quantities of various amines and amine derivatives, details of which are given in Management Discussion and Analysis Report annexed (Annexure 1).

5. EXPORTS:

We achieved an export turnover of ₹ 6361 lacs (FOB) compared to ₹ 4073 lacs (FOB) of the previous year, i.e. an increase of 56%.

6. FOREIGN EXCHANGE OUTGO:

During the year we have utilised a sum of approx. ₹ 2555 lacs (compared to ₹ 2976 lacs) in foreign currency mainly to import raw materials etc.

7. ASSOCIATE/SUBSIDIARY COMPANIES**a. Diamines & Chemicals Limited, Vadodara:**

Diamines and Chemicals Ltd., Vadodara, our associate company, has achieved a total income of ₹ 6711 lacs as against ₹ 8290 lacs of the previous year and a profit after tax of ₹ 360 lacs as against ₹ 1471 lacs of the previous year. The Board of Directors has recommended a dividend of 10% the year 2011-12 compared to 60% of the last year.

b. Alkyl Amines (Europe) SPRL:

In 2009 we had registered a wholly owned subsidiary company in the name of Alkyl Amines (Europe) SPRL in Belgium with an initial share capital of Euro 12400 with a view of expanding and consolidating the company's export business in Europe. As on March 31, 2012 this company has an accumulated loss of Euro 11946.19.

c. Alkyl Speciality Chemicals Limited:

This company is engaged in marketing of new products of the Holding Company.

This company achieved a total income of ₹ 29.96 lacs (Previous Year: ₹ 6.34 lacs) and a profit after tax of ₹ 25.52 lacs (Previous Year; Loss of ₹ 5.68 lacs).

Pursuant to Accounting Standard AS21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of Diamines & Chemicals Limited, Alkyl Amines Europe SPRL and Alkyl Speciality Chemicals Limited.

The Annual Accounts of the Subsidiary companies Alkyl Amines Europe SPRL and Alkyl Speciality Chemicals Limited are available for inspection by any member at the registered office during business hours. The Company will send copies thereof to the shareholders who may, if required, write to the company.

8. CONSERVATION OF ENERGY:

Energy conservation continues to be an active focus area for your Company since it is not only a major cost in the manufacturing process but, more importantly, a significant part of your Company's corporate social responsibilities. Your Company has taken several initiatives at each plant level in order to conserve energy which is in line with our policy of conservation of natural resources.

Our company has taken various measures for conservation of energy. These include the following :

a) De-bottlenecking to enhance plant capacity:

Capacity of Methylamines and Ethylamines was enhanced thereby reducing the specific consumptions of steam, electricity and cooling water.

b) planned production at optimum levels,**c) regular monitoring of electricity and fuel consumption and taking corrective steps, wherever required****d) utilization of by-product steam.****e) commissioning of dedicated Express Feeder to ensure consistent power supply thereby reducing diesel consumption.****9. SAFETY, HEALTH AND ENVIRONMENT:**

Keeping in line with the core values of being a responsible corporate citizen, an effective Environmental Management System (EMS) has been established by your Company. We are committed to:

- Our employees by continuously improving our safety performances and offering them a healthy and motivating work environment.

- Our customers by continuously improving the production and development of innovative, high quality and sustainable products.
- The environment by continuously improving our production and logistic processes in terms of energy and material efficiency, water usage, air emissions and land preservation.
- The whole society by integrating social, environmental and economic concerns into our operations and strategies well beyond all legal laws and regulations.

(a) Environment:

We give utmost importance to Environment protection and adherence to pollution control norms. Environmental Management System at Patalganga has been re-certified to ISO 14001:2004. We have completed successfully the certification audit at Kurkumbh and are declared as ISO 14001:2004 certified organization, in April 2011.

Environment protection and adherence to pollution control norms is of high concern for our company.

- i) **Air Emissions** – We monitor regularly emissions from various sources and are very particular about compliance with statutory requirement. Projects are undertaken for reduction of emissions. Our co-gen plant is aiding the global quest for controlling GHG emission by using renewable fuel.
- ii) **Liquid waste Treatment** – We have integrated Effluent Treatment Plants and we maintain outlet standards within the prescribed limits. Continuous efforts are made to minimize the quantity of effluent generated and feasibility of recycling of treated effluent is being studied. The company has planned substantial investment for expanding its effluent treatment capacity to meet long term requirements. Our Company is also a member of the CETP located at Patalganga and Kurkumbh.
Pilot Plant trials of RO system were conducted to confirm the suitability of RO process for recovering water from treated effluent and recycle it for process use. We plan to commission this at an early date.
- iii) **Solid Waste Management** – Solid wastes are either incinerated or disposed off to secured landfill. The manufacturing sites at Patalganga and Kurkumbh are members of the Authorized Common Hazardous Waste Transport, Storage & Disposal Facility namely; Mumbai Waste Management Limited, Taloja and Maharashtra Enviro Power Limited, Ranjangaon respectively.
- iv) **Green belt** – Tree plantation inside and outside the factory premises is given utmost importance. So far we have planted nearly 8320 trees in and around our plant sites.
- v) **Non conventional and Renewable Energy and Natural Resource conservation** – We use bagasse as fuel for boiler, as and when available. We also use Solar Water heaters at the staff colony. Measures like gravitational water supply, Sewage water gardening, Rain water harvesting, and number of GO GREEN activities are also undertaken at the staff colony.

(b) Safety :

We encourage a high level of awareness of safety issues among our employees and strive for continuous improvement. All incidents are analysed in safety committee meetings and corrective actions, wherever necessary, are taken immediately. Employees are trained in safe practices to be followed at workplace. Active participation is done in Mutual Aid scheme in the respective industrial areas. We are an active and leading member of Local and District Crisis Group and have earned reputation amongst society around and statutory authorities for prompt technical support during Disaster Management events.

External safety audit is carried out by outside agencies and the audit recommendations are being implemented.

Safety promotional activities such as celebration of national safety week, world environment day, fire service day, and participation in regional safety competition done regularly.

The Company conducted Mock drill for onsite emergency scenario in presence of Observers from Directorate of Industrial Safety and Health and experts from other industries, the systematic mitigation actions were appreciated by the observers.

The Company has a Disaster Management Plan within the Company and to surrounding industry, either in the form of providing risk information to the community or to respond in case of any emergency, as a part of its social responsibility. As a part of Disaster Management Programme, to create awareness about the immediate and timely actions to be taken at the time of disasters like gas leak, accidents etc., mock drills are conducted.

(c) Health :

Health of employees is of utmost importance. Periodic check up of employees is done to monitor their health. Regular work area monitoring to check concentration of chemicals, noise level, and quality of ambient air is done. We also have well equipped Occupation Health Centers with appropriate staff and own AMBULANCE Vehicle at both manufacturing sites at Patalganga and Kurkumbh. We have team of employees trained as FIRST AIDERS who contribute their skills while on duty as well as away from duties to serve the society. Occupational Health and Safety issues are continuous focus points for your Company. This commitment has prompted your Company to implement OHSAS 18001:2007 standard in the factories. We are working towards obtaining OHSAS 18001:2007. The initial Audit for OHSAS was conducted in March 2012.

10. RESPONSIBLE CARE:

We are signatory to the Responsible Care Initiative of Indian Chemical Council. We are in the process of getting our company audited and certified under Responsible Care.

11. CORPORATE SOCIAL RESPONSIBILITY:

Your Company recognises the fact that, beyond the day to day conduct of its business, as a responsible corporate citizen it has to discharge its duties towards the larger society in which it operates. The core areas identified by your Company to improve the society are Health Care, Basic Education, Women Empowerment and the Environment.

During the year, we continued with various community development activities in and around the rural areas situated in Kurkumbh as well as Patalganga Complexes and elsewhere as identified by our Corporate Social Responsibility Cell. The activities include:

- a) Supplying furniture/equipments/uniforms/books etc. required by schools and other institutions in and around rural areas in Kurkumbh and Patalganga.
- b) Facilitating dialogue with various constituents, establishments and departments concerned with environment, safety and social welfare, with a view to achieve co-ordination and co-operation in successful implementation of the programme.
- c) Tree Plantation programmes in and around both the Complexes of the Company, (for environmental protection) helping to minimize the global warming scenario.
- d) Promoting and sponsoring activities in the areas of Safety, Health and Environment, Education, Sports and Cultural Activities in co-ordination with other agencies.
- e) Encouraging research in the country by instituting the "Alkyl Amines Young Scientist Award" through ICT, Mumbai.

Over and above the various initiatives under Responsible Care by the company, during the year 2011-12 we have spent about ₹ 11 Lacs towards CSR activities.

12. CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management, which is available on the company's website. All Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

13. FIXED DEPOSITS:

The Company has not accepted any fixed deposits from the public within the meaning of the Companies (Acceptance of Deposits) Rules 1975 during the year.

14. INSURANCE

The Properties and Assets of the Company are adequately insured.

15. DIRECTORS:

Mr. H.M Kothari, Mr. K.R.V. Subrahmanian and Mr. Suneet Kothari retire by rotation at the Annual General Meeting and, being eligible, have offered themselves for re-appointment.

Export Import Bank of India has withdrawn nomination of Ms. Rima Marphatia from the Board and has appointed Ms. Meena Verma in her place, as its Nominee Director. The Board wishes to place on record its appreciation of the valuable guidance and advice the company has received from Ms. Marphatia during her tenure.

Mr. Yogesh M. Kothari's term as Chairman & Managing Director expired on March 31, 2012 and the Board has reappointed him as Chairman & Managing Director for a further period of three years. The term of Mr. Kirat Patel and Mr. Suneet Kothari as Executive Directors expired on December 31, 2011 and the Board has reappointed them as Executive Directors for a further period of three years.

Your Directors recommend the re-appointment of all these Directors.

16. AUDITORS:

Members are requested to appoint Auditors and fix their remuneration. M/s. Bansi S. Mehta & Co., Chartered Accountants, the retiring Auditors, are eligible for re-appointment. The Company has received a Certificate from them to the effect that their appointment, if made, will be within the prescribed limit under Section 224(1-B) of the Companies Act, 1956.

17. RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of The Companies Act, 1956:

- (a) That in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- (b) That such accounting policies as mentioned in Note 1 to the annual accounts have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on March 31, 2012 and of the profit of the company for that year;
- (c) That proper and sufficient care has been 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 to prevent and detect fraud and other irregularities;
- (d) That the Annual accounts for the year ended 31st March, 2012 have been prepared on a going concern basis.

18. CORPORATE GOVERNANCE

A separate detailed Corporate Governance report is attached herewith as Annexure 4.

19. ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation of the continuous support received by the Company from the investors, participating Financial Institutions, Banks, Foreign Principals, Central/State Government Departments, its Customers and Suppliers.

For and on behalf of the Board

Place: Mumbai
Dated: May 22, 2012

YOGESH M. KOTHARI
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ANNEXURE 1

INDUSTRY STRUCTURE AND DEVELOPMENT

We are global manufacturers and suppliers of amines and amine-based chemicals. We have two manufacturing sites, one at Patalganga and the other at Kurkumbh. We have an R&D Centre located at Pune equipped with advanced equipments and analytical instruments. We have an excellent team of technical and commercial professionals with expertise in chemicals manufacture and marketing.

Our products have application in important industries like pharmaceuticals, agro-chemicals, water treatment chemicals, photography chemicals, rubber chemicals, etc. We cater to both domestic and international market. We have competition both from local producers and international producers.

For more details please refer to our web-site www.alkylamines.com.

PERFORMANCE

Total Income (net of taxes) amounted to ₹ 29033 lacs compared to ₹ 23767 lacs of the previous year.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Your Company has the advantage of having a product range covering a broad spectrum of applications.

Your Company continues to invest in upgradation and expansion of its manufacturing capacities. The in-house R&D Department has been consistently developing quality products and is also striving for achieving cost efficiencies.

The industries in which our products have application, like pharmaceuticals, agrochemicals, rubber chemicals etc are growing at a reasonable pace and we have a fair chance of improving our position as a reliable supplier of good quality chemicals to these industries. Our Core Competence in chemicals handling and manufacturing supported by an able technical team, should provide a lot of opportunities and scope to the company to improve its performance. We enjoy leadership position in some of the products in domestic market, driven by strong in-house technology, diversified product portfolio and customer base. Our R&D Centre is enabling us to add new products to our product portfolio which will add to our contribution.

The commodity nature of some of our products make them susceptible to fluctuations in raw material prices and exchange rates. The company is vulnerable to alcohol price volatility. Domestic alcohol prices are dependent on the cyclical nature of the sugar industry and Government policy for its use in oil sector. Other petroleum based raw materials are subject to international gas/crude oil price fluctuation.

Being a global player, we are also exposed to competition not only from domestic players but also large international players. Cheap imports especially from countries like China could pose problems, which would have to be faced by consistency in quality of the products and improving production efficiencies.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The operating profit before tax amounted to ₹ 2368 lacs compared to ₹ 1360 lacs reported last year.

During the year, our domestic sales amounted to ₹ 24535 lacs compared to ₹ 20613 lacs of the previous year. Export sales increased to ₹ 6361 lacs (FOB) compared to ₹ 4073 lacs of the previous year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We have in place internal control systems in all spheres of activities commensurate with the size of the Company. The SAP-ERP system has been further streamlined. The system is helping the Managers to advantageously assimilate information and make more knowledge-based and efficiency-driven decisions. The internal control is supplemented by effective internal audit being carried out by an external firm of chartered accountants. The Audit Committee of Directors regularly reviews the findings of the Internal Auditors and effective steps to implement the suggestions/observations of the Auditors are taken and monitored regularly.

Your Company also has laid down procedures and authority levels with suitable checks and balances encompassing the entire operations of the Company.

Your Company has also identified various business risks and periodic reviews are conducted by the Management regarding the adequacy of mitigation procedures for the same.

STRATEGIC PLANS AND ORGANIZATIONAL DEVELOPMENT:

We are actively working towards scaling up our plants in specialty chemicals segment that provide economies of scale which would enable us to compete with manufacturers from other countries. We are in the process of de-bottlenecking capacities of some of our products with relatively small investments. This will significantly improve both our sales and profit in the years ahead. We are focusing on continuous improvement in production processes, effective cost management, diversification into more value added products, improved management practices, introduction of new systems and further growth in export markets. We recognize that growth requires, both organic and inorganic growth and hence, we continue to explore opportunities for leveraging our core strengths by tie-up with other global suppliers of chemicals and also acquisitions where we have synergies.

HUMAN RESOURCES

The HR policies and procedures of your Company are geared towards nurturing and development of Human Capital. Your Company has transparent processes for rewarding performance and retaining talent.

Skill Gap Analysis and other systems are also in place to identify the training interventions required. Employee relations at all locations continued to remain cordial. As on 31st March, 2012 your Company has 364 employees. Your Directors wish to acknowledge the sincere and dedicated efforts of the employees of the company and would like to thank them for the same.

Information required to be given pursuant to the provisions of Section 217(2A) of The Companies Act, 1956 is given in the Annexure, a copy of which can be obtained by the members from the Company's Registered Office on request.

OUTLOOK

Our focus continues on increasing our market share of existing products, launching new products, creating footprints in untapped growth market segments in Export market and forging strong relationship with customers, laying thereby a robust foundation for sustainable growth.

We expect the trend shown in 2011-12 to continue in the year 2012-13, which, at present, looks promising with its own sets of challenges and opportunities for us. With the global growth of chemicals focused on India and China, it is expected that there will be further growth in chemical industry.

During the year 2012-13, we expect the investments, which we made in our new product Acetonitrile, and also in debottlenecking capacities of Methylamines, Ethylamines and DEHA add to both our topline and bottomline.

We are continuing with our efforts on improvement in efficiencies, margins, profitability and sales while re-looking at business strategies and models, wherever necessary and barring, unforeseen circumstances, we expect to achieve better results for the year 2012-13.

CAUTIONARY STATEMENT

Statements made in the report, including those stated under the caption "Management Discussion and Analysis" describing the company's plans, projections and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

For and on behalf of the Board of Directors

Place : Mumbai

Dated : May 22, 2012

YOGESH M. KOTHARI

Chairman & Managing Director

ANNEXURE 2

FORM A

(Disclosure of Particulars with respect to Conservation of Energy)

Particulars	1.4.2011 to 31.3.2012	1.4.2010 to 31.3.2011
A. Power and Fuel Consumption:		
1. Electricity		
1. a) Purchased		
Units(Kwh In Lakhs)	159	162
Total Amount(₹In Lakhs)	1063	902
Avg.Rate/Unit	6.69	5.56
1. B) Own Generation		
(I) Through Diesel Generator		
Units (Kwh In Lakhs)	0.77	5.99
Units/Ltr Of Diesel Oil(Kwh)	2.36	3.61
Cost/Unit(₹ /Kwh)	17.54	11.14
(II) Through Steam Turbine/ Generator		
Units (Kwh In Lakhs)	26.05	20.13
2. Coal		
Qty(MT)	36341	39862
Total Amount(₹In Lakhs)	1807.85	1872.13
Avg.Rate(₹ /MT)	4975	4697
3. Furnace Oil And LSHS		
Qty(MT)	361	1141
Total Amount(₹In Lakhs)	137.96	305.12
Avg.Rate(₹ /MT)	38214	26746
4. Bagasse		
Qty(Mt)	25152	25356
Total Amount(₹In Lakhs)	385.56	458.81
Avg.Rate(₹ /MT)	1533	1809
B. Consumption Per Unit Of Production		
Standards If Any	N.A.	N.A.
Production:		
a) Amines And Amines Derivatives(MT)	29761	27380
b) Hydrogen(M3)	2858451	2277240
Electricity Consumption/Unit:		
a) Amines And Amines Derivatives(Kwh/MT)	590	660
b) Hydrogen(Kwh/M3)	0.264	0.280
Coal Consumption / Unit:		
Amines And Amine Derivatives(MT/MT)	1.404	1.682
EO./LSHS Consumption / Unit:		
Amines And Amine Derivatives(MT/MT)	0.012	0.042
Bagasse Consumption / Unit:		
Amines And Amine Derivatives(MT/MT)	1.655	1.858

ANNEXURE 3

FORM B

- Specific area in which R & D carried out by the company:
 - Worked on the improvement of various processes/products already commercialised.
 - Development of processes for the manufacture of various new mixed amine derivatives which find use as Pharma & Agro-Intermediates.
 - Development of processes for the manufacture of various new mixed amine derivatives useful as Speciality Chemicals (using pilot vapour phase reactor).
 - Continued development of processes for manufacture of chemicals based on customer specific requirements.
- Benefits derived as a result of the above R & D.
 - Added a new mixed amine derivative to the product range
 - Developed a new process for an existing product.
- Future plans of action
 - Development of processes for the manufacture of new Pharma and Agro intermediates.
 - Scale up of the processes for mixed amines to be used in Pharma & Agro-chemical industries.
- Expenditure on R & D
 - Capital : ₹ 82.71 Lakhs
 - Revenue : ₹ 208.12 Lakhs
 - Total : ₹ 290.83 Lakhs
 - Total R & D Expenditure as a percentage of total turnover. : 0.94 %
- Technology absorption, adaptation and innovation
 - Efforts, in brief, made towards technology absorption, adaptation and innovation.
 - Benefits derived as a result of the efforts e.g. product improvement, cost reduction, product development, import substitution etc.
 - In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year following information may be furnished
 - Technology imported
 - Year of Import
 - Has technology been fully absorbed.
 - If not fully absorbed, areas where this has not taken place, reasons therefor, and future plans of action.

As
stated
above.Not
applicable

ANNEXURE 4
CORPORATE GOVERNANCE REPORT

- Our philosophy on Code of Governance is aimed at safeguarding and adding value to the interest of the various stakeholders of our company including shareholders, lenders, employees and public at large. At Alkyl Amines Chemicals Limited, ("ALKYL"), we are committed to Good Corporate Governance to ensure that all functions of the Company are discharged in a professionally sound and competent manner. Given below is the requisite information relating to corporate functioning of your Company at apex level for the purposes of due transparency on this aspect.

2. BOARD OF DIRECTORS
i) Composition of Board:

The Board of Directors of the Company consists of 11 members. Three of the Directors, i.e. the Chairman & Managing Director and two Executive Directors, are Executive Directors and rest of the 8 Directors are non-executive Directors, who bring a wide range of skills and experience to the Board. The Board of Directors of the Company as on 31st March, 2012 is as under:

Name	Designation / Category	No. of Directorships and Committee Memberships / Chairmanships in other Companies (excluding Pvt. Cos.)		
		Other Director-ships	*Committee Member-ships	*Committee Chairman-ships
Mr. Yogesh M. Kothari	Chairman & Managing Director (Promoter)	Four	-	One
Mr. Hemendra M. Kothari	Non-Executive Director (Brother of Mr. Yogesh Kothari)	One	-	-
Mr. Shyam B. Ghia	Non-Executive Director (Independent)	Five	Three	Two
Mr. Shobhan M. Thakore	Non-Executive Director (Independent)	Six	Two	One
Mr. Dilip G. Piramal	Non-Executive Director (Independent)	Five	Two	-
Mr. Premal N. Kapadia	Non-Executive Director (Independent)	Six	One	One
Mr. K.R.V. Subrahmanian	Non-Executive Director (Independent)	Two	-	One
Ms. Tarjani Vakil	Non-Executive Director (Independent)	Five	Two	Three
Ms. Rima Marphatia**	Non-Executive Director (Independent)	-	-	-
Mr. Kirat Patel	Executive Director	Two	One	-
Mr. Suneet Kothari	Executive Director (son of Mr. Yogesh Kothari)	One	-	-

*Member/Chairman of Audit Committees and Share Transfer/Investor Grievance Committees.

**Effective from April 18, 2012, Ms. Meena Verma has been appointed as Nominee Director of Export-Import Bank of India in place of Ms. Rima Marphatia.

ii) Attendance record of each Director:

Four Board Meetings were held during the year 2011-12. These meetings were held on 31.05.2011, 04.08.2011, 25.10.2011 and 24.01.2012. The attendance record of all the Directors at the Board Meetings and the last Annual General Meeting between 01.04.2011 to 31.03.2012 is as under:-

Name	No. BoD Meetings held	No. of BoD Meetings attended	Attended last AGM
Mr. Yogesh M. Kothari	Four	Three	Yes
Mr. Hemendra M. Kothari	Four	Three	No
Mr. Shyam B. Ghia	Four	Three	No
Mr. Shobhan M. Thakore	Four	Three	No
Mr. Dilip G. Piramal	Four	Three	No
Mr. Premal N. Kapadia	Four	Three	No
Mr. K.R.V. Subrahmanian	Four	Four	Yes
Ms. Tarjani Vakil	Four	Four	No
Mr. Kirat Patel	Four	Four	Yes
Ms. Rima Marphatia	Four	Four	No
Mr. Suneet Kothari	Four	Three	Yes

3. COMMITTEES OF THE BOARD OF DIRECTORS

i) Audit Committee

The Company has an Audit Committee of the Board of Directors since April 2000. The Audit Committee comprises of five Directors, i.e. Mr. K.R.V. Subrahmanian (Chairman), Mr. Shyam B. Ghia, Mr. Premal N. Kapadia and Mr. Shobhan M. Thakore (all being Non-Executive and independent) and also Mr. Kirat Patel. The Committee met 4 times during the year 2011-2012 on 31.05.2011, 04.08.2011, 25.10.2011 and 24.01.2012. The attendance of the Audit Committee Members is as under:-

Name	No. of Audit Committee Meetings held	No. of Audit committee Meetings attended
Mr. K.R.V. Subrahmanian	Four	Four
Mr. Shyam B. Ghia	Four	Three
Mr. Premal N. Kapadia	Four	Three
Mr. Shobhan N. Thakore	Four	Three
Mr. Kirat Patel	Four	Four

Mr. K.P. Rajagopalan, General Manager (Secretarial & Legal) & Company Secretary of the Company, acts as Secretary to the Audit Committee. The Account & Finance Officials of the Company, Statutory Auditors and Internal Auditors also attended the meetings of Audit Committee.

The terms of reference of Audit Committee include overview of the company's financial reporting process, review with management the various aspects of financial statements including quarterly, half yearly and annual results, adequacy of internal controls and internal audit function, various audit reports, significant judgments affecting the financial statements, compliance with accounting standards and Company's financial & risk management policies. It reports to the Board of Directors about its findings & recommendations pertaining to above matters. No personnel have been denied access to the Audit Committee.

ii) Remuneration Committee of the Board

- a) The Company has also set up a Remuneration Committee of Directors, consisting of Mr. S.B. Ghia, Chairman, Mr. S.M. Thakore and Mr. Dilip G. Piramal. The main criteria for fixing remuneration of the Directors is performance and also practice in the industry. The terms of reference of the Remuneration Committee include review and recommendation to the board of directors of the remuneration paid to the directors. The Committee meets as and when required to consider remuneration of Directors. There were two meetings held on 20.06.2011 and 13.01.2012 during the year 2011-2012, which was attended by all three Directors.

b) Remuneration of Directors:

Remuneration paid/payable to the Directors for the year from 1.4.2011 to 31.3.2012 is given below:

(₹ in Lakhs)

Name	Remuneration (₹)	Sitting Fee (₹)	Commission ₹ *	Total (₹)
Mr. Yogesh M. Kothari	98.19	Nil	34.93	133.12
Mr. Hemendra M. Kothari	Nil	0.60	3.33	3.93
Mr. Shyam B. Ghia	Nil	2.04	3.33	5.37
Mr. Shobhan M. Thakore	Nil	2.62	3.33	5.95
Mr. Dilip G. Piramal	Nil	1.00	3.33	4.33
Mr. Premal N. Kapadia	Nil	1.20	3.33	4.53
Mr. K.R.V. Subrahmanian	Nil	1.60	3.33	4.93
Ms. Tarjani Vakil	Nil	0.80	3.33	4.13
Ms. Rima Marphatia (Payable to Exim Bank)	Nil	0.80	3.33	4.13
Mr. Kirat Patel	37.33	Nil	26.62	63.95
Mr. Suneet Y. Kothari	29.88	Nil	26.62	56.50

*Commission will be paid during the year 2012-2013.

Remuneration to Executive Directors includes salary and perquisites. The Company does not have any stock option scheme.

The Executive Directors of the Company, namely, the Managing Director & two Executive Directors, have been appointed for a period of three years. Either party is entitled to terminate the appointment by giving not less than six months' notice in writing to the other party.

iii) Share Transfer/Investors' Grievance Committee

- The Share Transfer/Investors' Grievance Committee consists of Mr. Shobhan M. Thakore, Mr. Shyam B. Ghia and Mr. Yogesh M. Kothari, whose terms of reference include approval of share transfers and overview of investor grievance handling system. Mr. Shobhan M. Thakore is the Chairman of this Committee.
- Total 23 meetings of shareholders/Investors' Grievance Committee were held during the year 2011-2012 on the following dates:

18.04.2011	05.05.2011	24.05.2011	06.06.2011
20.06.2011	11.07.2011	25.07.2011	04.08.2011
23.08.2011	12.09.2011	27.09.2011	14.10.2011
31.10.2011	14.11.2011	25.11.2011	12.12.2011
30.12.2011	13.01.2012	31.01.2012	15.02.2012
29.02.2012	14.03.2012	30.03.2012	

- The attendance of the Shareholders / Investors' Grievance Committee Members is as under:-

Name	Category	No. of meetings held	No. of meetings Attended
Mr. Shobhan M. Thakore	Independent	Twenty-three	Twenty-one
Mr. Yogesh M. Kothari	Executive Director	Twenty-three	Twenty-three
Mr. Shyam B. Ghia	Independent	Twenty-three	Twenty-two

- Mr. K.P. Rajagopalan, General Manager (Secretarial & Legal) is the Compliance Officer.
- No. of shareholder complaints received during 2011-2012:

Relating to non-receipt of Annual Report	: 8
Relating to loss of shares	: 1
Relating to transmission of shares	: None
Other	: 6

- f) No. of shareholder complaints not solved to the satisfaction of the shareholders:
relating to non-receipt of Annual Report : None
relating to loss of shares : None
relating to transmission of shares : None
Other : None
- g) No. of pending share transfers as on 31.3.2012 : None

iv) Finance Committee Meeting :

The Company also has a Finance Committee of Directors to consider finance related decisions consisting of Mr. Y. M. Kothari, Chairman, Mr. Kirat Patel and Mr. Shobhan M. Thakore. During the year 2011-2012 the Finance Committee Meetings were held on 31.05.2011, 07.07.2011, 27.09.2011 and 19.03.2012.

Name	No. of Finance Committee Meetings held	No. of Finance committee Meetings attended
Mr. Yogesh M. Kothari	Four	Four
Mr. Shobhan N. Thakore	Four	Three
Mr. Kirat Patel	Four	Four

4. GENERAL BODY MEETINGS.

- i) Location and time where last three Annual General Meetings were held and details of special resolutions passed:

No. of AGM	Venue	Date	Time
31st AGM	Chandragupt Hall 2nd Floor, Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400703, Maharashtra. No special resolution was passed at the meeting	August 4, 2011	2.30 P.M.
30th AGM	Chandragupt Hall 2nd Floor, Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400703, Maharashtra. Ordinary resolution was passed for: a) According consent to the Board of Directors to borrow upto a limit of ₹ 250 crores. b) According consent to the Board of Directors to create mortgage, charges, hypothecations etc. upto a limit of ₹ 250 crores.	July 22, 2010	2.30 P.M.
29th AGM	Chandragupt Hall 2nd Floor, Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400703, Maharashtra. Special resolution was passed for: a) Approving re-appointment & remuneration of Mr. Yogesh M. Kothari as Chairman & Managing Director.	July 29, 2009	2.30 P.M.

No special resolution by postal ballot was passed during last year and no special resolution is proposed by postal ballot.

5. DISCLOSURES

- i) A list of transactions with related parties as per Accounting Standard AS-18 is mentioned in Note 32 to the Audited Accounts.
- ii) No. penalty/stricture was imposed on the Company by Stock Exchange(s), SEBI or any other authority, or any matter related to capital markets, during the last three years.
- iii) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: The Company has complied with all mandatory requirements of Clause 49 of the Listing agreement.

6. MEANS OF COMMUNICATION

- i) Company is publishing the results in National & Regional Newspapers like **Economic Times** and **Maharashtra Times**. Quarterly Results are also put on the Company's web-site, www.alkylamines.com
- ii) Management Discussion & Analysis is part of Annual Report 2011-2012.

7. GENERAL SHAREHOLDER INFORMATION:

- i) Annual General Meeting
Date : August 7, 2012
Time : 2.30 pm
Venue : Chandragupt Hall, 2nd Floor, Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703.
- ii) Financial Year: April to March
- iii) Dates of Book Closure: From 31.07.2012 to 07.08.2012 (both days inclusive)
- iv) Dividend Payment Date: On and from August 14, 2012
- v) The equity shares of the Company are listed on The Bombay Stock Exchange Limited and National Stock Exchange of India Ltd.
- vi) Stock code. (BSE): 506767 (NSE): ALKYLAMINE
- vii) Market Price Data - High & Low at BSE and NSE of the equity shares of the Company during each month for the year 2011-2012 as compared to BSE Sensex/Nifty are as under:

	BSE(₹)		Sensex		NSE(₹)		Nifty	
	High	Low	High	Low	High	Low	High	Low
April '11	93.00	77.00	19811.14	18976.19	94.00	81.15	5944.45	5693.25
May '11	92.75	79.75	19253.87	17786.13	92.65	80.15	5775.25	5328.70
June '11	89.55	77.80	18873.39	17314.38	88.05	76.65	5657.90	5195.90
July '11	96.00	77.50	19131.70	18131.86	97.90	80.15	5740.40	5453.95
Aug. '11	97.00	77.00	18440.07	15765.53	92.90	79.65	5551.90	4720.00
Sept. '11	103.05	81.25	17211.80	15801.01	102.65	75.10	5169.75	4758.85
Oct. '11	103.00	80.00	17908.13	15745.43	102.00	81.00	5399.70	4728.30
Nov. '11	102.00	85.20	17702.26	15478.69	97.95	87.20	5326.45	4639.10
Dec. '11	105.90	77.10	17003.71	15135.86	97.90	75.10	5099.25	4531.15
Jan. '12	98.95	73.55	17258.97	15358.02	93.50	73.40	5217.00	4588.05
Feb. '12	90.50	70.20	18523.78	17061.55	90.00	78.15	5629.95	5159.00
Mar. '12	87.00	75.70	18040.69	16920.61	87.75	73.50	5499.40	5135.95

viii) Share Transfer System:

Share transfers in physical form are registered and returned within the stipulated time, if documents are clear in all respects. The Committee of Directors for Share Transfers meets frequently to approve transfer of shares.

ix) Distribution of Shareholding as on 31st March, 2012:

Shareholding of Nominal Value (₹)	No. of Holders	(%) of Holders	Total Amount	% of Amt.
UPTO 5000	6640	92.12	7671720	7.52
5001 TO 10000	294	4.08	2143190	2.10
10001 TO 20000	121	1.68	1719510	1.69
20001 TO 30000	29	0.40	716010	0.70
30001 TO 40000	22	0.31	758990	0.74
40001 TO 50000	13	0.18	624300	0.61
50001 TO 100000	39	0.54	2699750	2.65
100001 AND ABOVE	50	0.69	85648490	83.98
TOTAL	7208	100	101981960	100

x) Shareholding pattern as on 31st March, 2012

No.	Category of shareholders	No. of Shares held	% of share holding
01	I) Indian Promoters/Persons acting in concert	7554018	74.072
	II) Non-Residents acting in concert	12376	0.121
	Sub-Total (A)	7566394	74.193
02	Mutual Funds	676	0.007
03	Banks/Financial Institutions/ Insurance Cos., Central Govt./ State Govt. Institutions	114	0.001
	Sub-Total (B)	790	0.008
04	Private Corporate Bodies	163626	1.604
05	NRIs/OCBs	28654	0.281
06	Clearing members	1104	0.011
07	Indian Public	2437628	23.903
	Sub-Total (C)	2631012	25.799
	Total Share Capital (A+B+C)	10198196	100

xi) Shareholding of Directors as on 31st March, 2012

Name	No. of Equity Shares held
Mr. Yogesh M. Kothari	6123311
Mr. Hemendra M. Kothari	106700
Mr. Shyam B. Ghia	-----
Mr. Shobhan M. Thakore	5540
Mr. Dilip G. Piramal	-----
Mr. Premal N. Kapadia	-----
Mr. K.R.V. Subrahmanian	-----
Ms. Tarjani Vakil	-----
Ms. Rima Marphatia	-----
Mr. Kirat Patel	37869
Mr. Suneet Y. Kothari	76662

xii) Dematerialisation of shares and liquidity:

Trading in Equity Shares of the Company is permitted only in dematerialised Form. All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within the stipulated time.

Other details are as under:

Approximate time taken for share transfer if the documents are clear in all respects	: Not exceeding 20 Days.
Demat ISIN Number for Equity Shares of the Company in NSDL & CDSL ISIN	- INE 150B01013.
Total No. of Shares as on 31.3.2012	- 10198196 Shares
Total No. of shares dematerialised upto 31.03.2012	- 9726470 Shares
Percentage to total paid up capital	- 95.374 %

xiii) Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity : Nil

xiv) Plant locations:

Patalganga Plant :

A-7/A-25 MIDC, Patalganga Industrial Area,
Village Kaire, Taluka Khalapur, Dist. Raigad.

Kurkumbh Plant :

D-6/1 & D-6/2, MIDC, Kurkumbh Industrial Area, Taluka Daund, Dist. Pune.

xv) Address for correspondence :

Alkyl Amines Chemicals Ltd.,
401/407 Nirman Vyapar Kendra, Sector 17, Vashi, Navi Mumbai 400703. Maharashtra

xvi) Company's Registrar & Share transfer Agents :-

SHAREX DYNAMIC (INDIA) PVT. LTD.

Unit No.1, Luthra Industrial Premises,
1st Floor, 44-E, M. Vasanji Marg, Andheri Kurla Road,
Safed Pool, Andheri (East), Mumbai 400 072.
Tel Nos. : 022 28515606, 28515644 Fax No. : 022 2851 2885
Email Address :- sharexindia@vsnl.com Website :- www.sharexindia.com

8. CODE OF CONDUCT

Your company has always encouraged and supported compliance to ethical business practices in personal and corporate behavior by its employees. Your company in order to further strengthen corporate governance practices has framed a specific code of conduct, for the members of the Board of Directors and Senior Management personnel of the Company.

For **ALKYL AMINES CHEMICALS LTD.**,

K. P. RAJAGOPALAN

General Manager (Secretarial & Legal)

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of **ALKYL AMINES CHEMICALS LIMITED**

We have examined the compliance of conditions of corporate governance by Alkyl Amines Chemicals Limited, for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said company with The Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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 the 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 Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no Investor grievances were pending for a period of one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No.36148

Place : Mumbai

Dated: May 22, 2012

AUDITORS' REPORT**For the year ended March 31, 2012**

To the Members of

ALKYL AMINES CHEMICALS LIMITED

1. We have audited the attached Balance Sheet of **ALKYL AMINES CHEMICALS LIMITED** as at March 31, 2012 and also the Statement of Profit and Loss of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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 by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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 the books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with Notes (including Significant Accounting Policies) forming part thereof, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii. in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For BANSI S. MEHTA & CO.

Chartered Accountants

Firm Registration No. 100991W

PARESH H. CLERK

Partner

Membership No.36148

Place : Mumbai**Dated :** May 22, 2012

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of ALKYL AMINES CHEMICALS LIMITED on the accounts for the year ended March 31, 2012.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- i. a. The Company is maintaining proper records of fixed assets to show full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets of the Company have been physically verified by the management according to a phased programme designed to cover all the fixed assets over a period of three years, which in our opinion, is at reasonable intervals having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancy was noticed on such verification.
- c. The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern.
- ii. a. Inventories have been physically verified by the management during or at the year-end. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business. In case of stocks lying with third parties, certificates confirming such stocks have been received in respect of stocks held as on March 31, 2012.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories 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. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
- iii. a. As per the information furnished, 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.

As the Company has not granted any such loans, Clause (iii)(b) of the Order relating to the rate of interest and other terms and conditions, whether *prima facie* prejudicial to the interest of the Company, Clause (iii)(c) relating to regularity of the receipt of principal amount and interest and Clause (iii)(d) relating to steps for recovery of overdue amount of more than rupees one lakh, are not applicable.

- b. As per the information furnished, the Company has taken unsecured inter corporate deposits from six companies and unsecured loans from three directors covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 3535.26 lakhs and the year end balance of loan taken from such parties was ₹ 1427.94 lakhs.

In our opinion, the rate of interest and other terms and conditions on which loans have been taken from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.

The Company is regular in repayment of the principal amounts as stipulated and as also in the payment of interest.

- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. As informed to us, the Company is not engaged in the sale of services. During the course of our audit, no major weakness has been noticed in areas of internal control system.
- v. a. According to the information and explanations given to us and the records of the Company examined by us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that Section; and

- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements (including purchase of services) entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence, the question of complying with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder, does not arise.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. a. According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing 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 and there were no arrears of such Statutory dues as on March 31, 2012 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, as may be applicable, given herein below are the details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (₹ in Lakhs)	Forum where dispute is pending
The Income-tax Act, 1961	Disallowance of expenditure/ deductions and interest	Assessment Year 1998-1999 Assessment Year 1999-2000 Assessment Year 2003-2004	83.69*	The Assessing Officer is yet to give effect to the orders of the Income-tax Appellate Tribunal
	Disallowance of expenditure/ deductions and interest	Assessment Year 2004-2005	3.60	The Income-tax Appellate tribunal
	Disallowance of expenditure/ deductions and interest	Assessment Year 2007-2008	2.27*	The Income-tax Appellate tribunal
The Central Sales Tax Act, 1956	Disallowance of expenditure/ deductions and interest	Assessment Year 2008-2009	6.63*	The Income-tax Appellate tribunal
	Disallowance of expenditure/ deductions and interest	Assessment Year 2009-2010	82.68**	The Income-tax Appellate tribunal
	Sales Tax and Interest	Financial Year 2009-2010	0.15	The Maharashtra Sales Tax Tribunal

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (₹ in Lakhs)	Forum where dispute is pending
The Central Excise Act, 1994	Dispute relating to Cenvat Credit (interest and penalty)	Financial Year 2006-2007 Financial Year 2007-2008	8.38	Customs, Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service tax on toll processing (interest and penalty)	Financial Year 2004-2005	30.19	Customs, Excise and Service Tax Appellate Tribunal

*Amounts deposited under protest.

**Amounts deposited under protest is ₹ 32.16 lakhs.

- x. There are no accumulated losses of the Company as on March 31, 2012 and the Company has not incurred any cash losses during such financial year and in the immediately preceding financial year.
- xi. According to the information and explanations given to us and records of the Company examined by us, the Company has not defaulted in repayment of dues, if any, to a financial institution, bank or debenture holders as at the balance sheet date.
- xii. According to the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. As the Company is not a chit fund, Nidhi, mutual benefit fund or a society, Clause 4 (xiii) of the Order is not applicable.
- xiv. According to the information and explanations given to us, as the Company is not dealing or trading in shares, securities, debentures and other investments, the requirements of Clause 4(xiv) of the Order relating to the maintenance of the proper records of the transactions and contracts and making of timely entries therein are not applicable.
- xv. According to the information and explanations given to us, as the Company has not given any guarantee for loans taken by others from banks or financial institutions, the requirement of Clause 4 (xv) of the Order to comment on whether the terms and conditions, whereof are prejudicial to the interest of the Company, is not applicable.
- xvi. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amounts temporarily placed pending utilisation of the funds for the intended use.
- 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 the funds raised on short term basis have not been utilised for long term investment.
- xviii. According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us, as the Company has not issued any debenture, the question of creating security or charges in respect thereof does not arise.
- xx. As the Company has not raised any money by public issues during the year, Clause 4 (xx) of the Order is not applicable.
- xxi. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud (i.e. intentional material misstatements resultant from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the course of our audit.

For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK
Partner

Membership No.36148

Place : Mumbai
Dated : May 22, 2012

BALANCE SHEET AS AT MARCH 31, 2012

	Note	₹ in Lakhs	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2	1,020.60		1,020.62
Reserves and Surplus	3	7,867.86	8,888.46	6,625.57
				7,646.19
Non-current Liabilities				
Long-term Borrowings	4	5,230.32		5,437.63
Deferred tax Liabilities (Net)	5	1,667.72		1,574.40
Long-term Provisions	6	207.76	7,105.80	333.57
				7,345.60
Current Liabilities				
Short-term Borrowings	7	5,829.09		5,499.69
Trade Payables	8	2,537.50		2,178.27
Other Current Liabilities	9	2,412.67		1,823.43
Short-term Provisions	10	579.35		425.35
			11,358.61	9,926.74
TOTAL			27,352.87	24,918.53
ASSETS				
Non-current Assets				
Fixed Assets				
Tangible Assets	11	12,215.71		9,776.54
Intangible Assets		17.38		15.53
Capital Work-in-Progress		421.36		2,195.53
Intangible Assets under Development		143.91		132.56
		12,798.36		12,120.16
Non-current Investments	12	234.27		234.27
Long-term Loans and Advances	13	805.60		697.49
Other Non-current Assets	14	325.68	14,163.91	871.97
				13,923.89
Current Assets				
Inventories	15	4,972.82		5,196.20
Trade Receivables	16	6,056.43		4,732.87
Cash and Bank Balances	17	1,107.36		125.33
Short-term Loans and Advances	18	995.13		914.31
Other Current Assets	19	57.22		25.93
			13,188.96	10,994.64
TOTAL			27,352.87	24,918.53
Notes (Including Significant Accounting Policies)	1 - 40			
Forming Part of the Financial Statements				

As per our Report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No.100991W

PARESH H. CLERK

Partner, Membership No. 36148

Place : Mumbai

Dated : May 22, 2012

For and on behalf of the Board of Directors

YOGESH M. KOTHARI

Chairman and Managing Director

K. P. RAJAGOPALAN

General Manager (Secretarial and Legal)

KIRAT PATEL

Executive Director

Place : Mumbai

Dated : May 22, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note	₹ in Lakhs	For the Year ended March 31, 2012 ₹ in Lakhs	For the Year ended March 31, 2011 ₹ in Lakhs
Revenue from Operations	20		30,852.60	25,280.63
Less : Excise Duty on Sales			2,051.63	1,695.09
Revenue from Operations (Net)			28,800.97	23,585.54
Other Income	21		231.90	181.10
Total Revenue			29,032.87	23,766.64
Expenses				
Cost of Materials Consumed	22		15,413.96	13,070.71
Changes in Inventories of Finished Goods and Work-in-Progress	23		236.38	(754.08)
Employee Benefits Expense	24		1,607.46	1,203.27
Finance Costs	25		1,102.79	1,032.28
Depreciation and Amortisation Expense			890.94	916.78
Other Expenses	26		7,413.09	6,937.00
Total Expenses			26,664.62	22,405.96
Profit before Exceptional Items and Tax			2,368.25	1,360.68
Exceptional items			NIL	NIL
Profit Before Tax			2,368.25	1,360.68
Tax Expense:				
Current Tax		595.00		541.00
Deferred Tax		93.33		(146.44)
Current Tax Adjustments of Earlier Years		(36.46)		(74.37)
			651.87	320.19
Profit (Loss) for the Year			1,716.38	1,040.49
Earnings Per Equity Share of ₹ 10 :				
Basic and Diluted (₹)			16.83	10.20
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1 - 40			

As per our Report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No.100991W

PARESH H. CLERK

Partner, Membership No. 36148

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General Manager (Secretarial and Legal)

KIRAT PATEL

Executive Director

Place : Mumbai

Dated : May 22, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the Year ended March 31, 2012 ₹ in Lakhs	For the Year ended March 31, 2011 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	2,368.25	1,360.68
Adjustments for :		
Loss on Sale of Fixed Assets	NIL	10.93
Assets Written Off	65.55	103.18
Depreciation	890.94	916.78
Interest Expense	1,102.79	1,032.28
Dividend Income	(89.34)	(69.49)
Interest on Deposits and Others	(73.12)	(27.55)
Unrealised Loss/(Gain) on Foreign Exchange	213.90	(28.09)
Provision for Bad and Doubtful Debts	8.21	43.40
Operating Profit Before Working Capital Changes	4,487.18	3,342.12
Adjustments for :		
Long-term Loans and Advances and other Non-current Assets	477.29	(110.32)
Inventories	223.38	(9.74)
Trade Receivables and Short-term Loans and Advances	(1,626.49)	(682.74)
Other Current Assets	(31.29)	(11.34)
Long-term Provisions	15.79	(10.41)
Trade payables, Other Current Liabilities and Short-term Provisions	746.73	156.70
Cash Generated From Operations	4,292.59	2,674.27
Income Tax paid	(737.45)	(231.44)
Net Cash From Operating Activities	3,555.14	2,442.83
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1474.80)	(1885.00)
Sale of Fixed Assets	NIL	18.25
Investments	NIL	(0.82)
Dividend Income	89.34	69.49
Interest on Deposits and Others	73.12	27.55
Bank Deposits having Original Maturity of more than 3 months	(598.22)	19.47
Net Cash From Investing Activities	(1910.56)	(1751.06)

	For the Year ended March 31, 2012 ₹ in Lakhs	For the Year ended March 31, 2011 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Deferred Sales Tax Payment	NIL	(20.18)
Proceeds from Long-term Borrowings	12.90	1306.20
Increase/Decrease in Short-term Borrowings	329.40	(636.85)
Interest Paid	(1,246.31)	(1,166.15)
Dividend Paid (Including Dividend Distribution Tax)	(356.76)	(357.94)
Net Cash From Financing Activities	(1,260.77)	(874.92)
Increase in Cash and Cash Equivalents (A+B+C)	383.81	(183.15)
Cash and Cash Equivalents at the Beginning Of the Year	112.89	296.04
Cash and Cash Equivalents at the End of the Year	496.70	112.89
Components of Cash and Cash Equivalents :		
Cash on hand	1.11	2.06
Other Bank Balances		
- On Current Accounts	475.38	93.87
- On Unpaid Dividend Accounts	20.21	16.96
	496.70	112.89

Note: Purchase of Fixed Assets includes addition to Capital Work in Progress during the year.

As per our Report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No.100991W

PARESH H. CLERK

Partner, Membership No. 36148

Place : Mumbai

Dated : May 22, 2012

For and on behalf of the Board of Directors

YOGESH M. KOTHARI

Chairman and Managing Director

K. P. RAJAGOPALAN

General Manager (Secretarial and Legal)

KIRAT PATEL

Executive Director

Place : Mumbai

Dated : May 22, 2012

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
MARCH 31, 2012****1. SIGNIFICANT ACCOUNTING POLICIES:****1.1 BASIS OF PREPARATION:**

- a. The accounts are prepared on the basis of going concern under historical cost convention as also accrual basis and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956.
- b. The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per the Revised Schedule VI. Accordingly, the previous year's figures have also been reclassified/regrouped to conform to this year's classification. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

1.2 USE OF ESTIMATES:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions to be made that affect the reported amounts of revenues and expenses during the reporting period, the reported amounts of assets and liabilities and the disclosures relating to the contingent liabilities on the date of the financial statements. Examples of such estimates include useful lives of Fixed Assets, provision for doubtful debts/advances, deferred tax etc. Actual results could differ from those estimates. Such difference is recognised in the period/s in which the results are known / materialised.

1.3 FIXED ASSETS:

- a. Land (Freehold) is valued at cost;
- b. Land (Leasehold) is valued at cost less amortisation;
- c. Other Fixed Assets are valued at cost less accumulated depreciation. 'Cost' for the aforesaid purposes comprises of its purchase price and any attributable cost of bringing the asset to its working condition for its intended use, net of recoverable duties, if any.

1.4 DEPRECIATION:

Depreciation on assets installed/acquired after April 2, 1987 is provided pro-rata on straight line method at the rates and on the basis specified in Schedule XIV to the Companies Act, 1956, as revised by Notification No.G.S.R.756 (E) dated December 16, 1993 and further revised by Notification No.101 (E) of the Department of Company Affairs on the following basis:

- i. In respect of assets installed/acquired prior to April 1, 1993 at the rates computed by allocating the unamortized value of assets existing as on March 31, 1993 as per the Books of Account, over the remaining part of the specified period which is recomputed by applying to the original cost, the revised rates prescribed in Schedule XIV to the Companies Act, 1956.
- ii. In respect of assets installed/acquired on/after April 1, 1993 at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Leasehold land is being amortized over the period of lease.

1.5 INVESTMENTS:

- a. Investments, which are long term, are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of investments.
- b. Profit or loss on sale of long term investments, if any, is calculated by considering the weighted average amount of the total holding of the investment.

1.6 INVENTORIES:

- i. Stores, Spares, Furnace Oil etc.:

At cost or net realisable value, whichever is lower. Cost for this purpose comprises of basic cost (net of CENVAT and VAT, if any) including transportation.

- ii. Work-in-process:

At cost or net realisable value, whichever is lower. Cost, for this purpose, includes all direct costs and other related fixed overheads.

- iii. Finished Goods:

At cost or net realisable value, whichever is lower. Cost, for this purpose, includes all direct costs, and other related factory overheads. Excise duty on goods awaiting clearance has been provided for.

- iv. Raw Materials and Packing Materials:

At cost or net realisable value, whichever is lower on Weighted Average Method basis. Cost, for this purpose, includes basic cost (net of CENVAT and VAT, if any) and all direct expenses.

- v. Traded goods:

At landed cost. Cost, for this purpose, includes Direct cost and Incidental expenses or net realisable value, whichever is lower.

- vi. Obsolescence of inventory, if any, is determined on material consumption pattern/specific review and is accordingly provided for.

1.7 TAXATION:

- i. Current Tax: Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- ii. Deferred Tax: In accordance with the Accounting Standard 22 - "Accounting for Taxes on Income", the deferred tax for the timing differences is measured using the tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax assets arising from the timing differences are recognised only on the consideration of prudence.

1.8 REVENUE RECOGNITION:

- i. Sales of Manufactured Goods:

Sales of goods in respect of domestic sales are recognised on despatch of goods to the customer. 'Sales' include packing charges, excise duty and are net of returns.

Sales of goods in respect of export sales are recognised as and when the shipment of goods takes place.

- ii. Sales of traded goods:

Sales of traded goods are recognised on despatch of goods to the customers and are net of returns.

iii. Commission receivable on sales:

Commission on sales is accounted for on receipt of the necessary credit note /confirmation, on completion of transaction, from the principals.

iv. Recognition of Export Benefits:

Export Benefit Entitlements under the Duty Entitlement Pass Book Scheme and Duty drawback Scheme of the Government of India are recognised in the year in which the Export Sales are accounted for.

Advance License Benefits on Exports are accounted in the year of utilisation of license.

v. Recognition of Income on Contract manufacturing:

Income on contract manufacturing is accounted on despatch to and acceptance of the prescribed goods by the Customer during the year; at the year end, income from Contract manufacturing is accounted on stock of goods in respect of which contract processing is completed.

vi. Income from Certified Emission Reductions:

Income from Certified Emission Reduction (CERs) from the Project and certified by the Management in respect of the project registered with Executive Board established under the Kyoto Protocol to the UNFCCC is accounted on the basis of CERs generated from such project only when the same are duly certified. CERs generated up to March 31, 2009 was accounted on a conservative basis though not certified.

1.9 EMPLOYEE BENEFITS:

i. **Defined Contribution Plan:**

Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

ii. **Defined Benefit Plan:**

Gratuity- In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actual valuation at the Balance Sheet date carried out by an independent actuary. Actuarial gain or loss is recognized immediately in the statement of profit and loss as income or expense. The Company has an employee gratuity fund managed by Life Insurance Corporation of India ("LIC"), except for the Managing Director, for which also the necessary provision is made based on an actuarial valuation.

Compensated Absences- The Company provides for the encashment of leave with pay based on policy of the Company in this regard. The employees are entitled to accumulate such leave subject to certain limits, for the future encashment. The Company records an obligation for Leave Encashment in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated leave as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

1.10 RESEARCH AND DEVELOPMENT COSTS:

- i. Revenue expenditure on research, if any, is charged against the Profit of the year in which it is incurred.
- ii. Development Expenditure :
 - a. incurred on development of new processes for products which, as per the Management, are completed and are expected to generate future economic benefits, are shown as intangible assets;
The same is amortised on a straight-line basis over a period of five years from the time of capitalisation as an intangible asset;
 - b. incurred on development of new processes for products which, as per the Management, are yet to be completed, are reflected as capital work in progress;
 - c. other development expenses are charged to the Statement of Profit and Loss in the year in which it is incurred.

An impairment of intangible asset is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is charged to the Statement of Profit and Loss.

1.11 FOREIGN CURRENCY TRANSACTIONS:

- i. Transactions in foreign currencies are recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii. Monetary items which are denominated in foreign currency are translated at the exchange rates prevailing at the Balance Sheet date and profit/loss on translation thereon is credited/ charged to the Statement of Profit and Loss.
- iii. Pursuant to the adoption of Companies (Accounting Standard) Rules, 2006, with effect from April 1, 2007, exchange differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed asset have been recognised in the Statement of Profit and Loss. However, on the basis of the option available to the Company, the Company has decided to add or deduct exchange differences arising on Long-term Foreign Currency Monetary items at rates different from those at which they were initially recorded so far as they relate to the acquisition of a depreciable capital asset (Refer Note 28.2).
- iv. In case of forward contracts, the exchange difference between the forward rate and the exchange rate at the date of transaction is recognised as income or expense over the life of the contract.
- v. As required by the recent Announcement of the Institute of Chartered Accountants of India on positions of derivatives, keeping in view the principle of prudence as per Accounting Standard 1 on "Disclosure of Accounting Policies", outstanding forward contracts at the Balance Sheet date are reflected by marking them to market and accordingly, the resulting mark to market losses are provided in the Statement of Profit and Loss.

1.12 LEASE RENTALS:

Lease rentals are accounted consistent with the payment schedule provided in the lease agreement.

1.13 BORROWING COSTS:

Borrowing costs, attributable to the acquisition/construction of qualifying assets, are capitalised, net of income, if any. Other borrowing costs are charged as an expense in the period in which the same are incurred. Borrowing cost comprises of interest and other cost incurred in connection with borrowing of funds.

1.14 PRIOR-PERIOD ITEMS:

Income and expenditure pertaining to prior period, wherever material, are disclosed separately.

1.15 DEFERRED REVENUE EXPENDITURE:

Termination benefits paid to the employees are written off over a period of five years from the date of payment.

1.16 IMPAIRMENT OF ASSETS:

If internal / external indications suggest that an asset of the Company may be impaired, the recoverable amount of asset / cash generating unit is determined on the balance sheet date and if it is less than its carrying amount, the carrying amount of asset / cash generating unit is reduced to the said recoverable amount. Subsequently, if there is a change in the indication, since the last impairment was recognized, so that recoverable amount of an asset exceeds its carrying amount, an impairment recognized for an asset in prior accounting period is reversed. The recoverable amount is measured as the higher of the net selling price and value in use of such assets / cash generating unit, which is determined by the present value of the estimated future cash flows.

1.17 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i. The Company recognizes as Provisions, the liabilities being present obligations arising from past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- ii. Contingent Liability is disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matters involved.
- iii. Contingent Assets are neither recognized nor disclosed.

	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
2. Share Capital:		
Authorised :		
15,000,000 (15,000,000) Equity Shares of ₹ 10 par value	1,500.00	1,500.00
1,500,000 (1,500,000) Cumulative Redeemable Preference Shares of ₹ 100 par value	1,500.00	1,500.00
	3,000.00	3,000.00
Issued, Subscribed And Paid Up :		
10,198,196 (10,198,196) Equity Shares of ₹ 10 par value fully paid	1,019.82	1,019.82
Shares/Warrants forfeited	0.78	0.80
	1,020.60	1,020.62

2.1 Reconciliation of the number of shares outstanding and amount of share capital:

	As At March 31, 2012		As At March 31, 2011	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares of ₹ 10 par value				
At the beginning	10,198,196	1,019.82	10,198,196	1,019.82
Changes during the year	NIL	NIL	NIL	NIL
At the end	10,198,196	1,019.82	10,198,196	1,019.82

2.2 Rights, preferences and restrictions:

- The Company has only one class of shares referred to as equity shares having par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. The Board of Directors, in their meeting on May 22, 2012, proposed a final dividend of ₹ 4 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 474.11 Lakhs including corporate dividend tax of ₹ 66.18 Lakhs.

During the year ended March 31, 2011, the amount of per share dividend recognised as distribution to equity shareholders is ₹ 3. The Dividend appropriation for the year ended March 31, 2011 amounted to ₹ 356.76 Lakhs including corporate dividend tax of ₹ 50.81 Lakhs.

- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:

	As At March 31, 2012		As At March 31, 2011	
Name of the Shareholder	No. of shares	% held	No. of shares	% held
Yogesh M. Kothari	6,123,311	60.04	6,123,311	60.04

	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
3. Reserves and Surplus:		
Capital Reserve		
As per last Balance Sheet	9.66	9.66
Add : Share warrants forfeited transferred	0.02	NIL
	9.68	9.66
Capital Redemption Reserve	25.00	25.00
Securities Premium	1,290.97	1,290.97
General Reserve		
As per last Balance Sheet	2,427.82	2,322.82
Add : Transfer from Surplus	172.00	105.00
	2,599.82	2,427.82
Surplus		
As per last Balance Sheet	2,872.12	2,293.39
Add: Net Profit after Tax transferred from Statement of Profit and Loss	1,716.38	1,040.49
Less : Appropriations		
General Reserve	172.00	105.00
Proposed Dividend	407.93	305.95
Tax on Dividend	66.18	50.81
	3,942.39	2,872.12
	7,867.86	6,625.57
4. Long-term Borrowings:		
Term Loans [Refer Note 4.1 (a)]		
Secured		
From Banks	1,759.83	891.26
From other parties - Financial Institutions	956.59	1,338.47
	2,716.42	2,229.73
Deferred Payment Liabilities		
Unsecured		
Sales Tax Deferral under the Package Scheme of Incentives, 1993 [Refer Note 4.1 (b)(i)]	991.40	991.40
Loans and advances from related parties		
Unsecured [Refer Note 4.1 (b)(ii)]	800.00	1,319.00
Deposits - Inter Corporate [Refer Note 4.1 (b)(iii)]		
Unsecured		
From Related Parties (Refer Note 32 to Financial Statements)	224.50	469.50
From Others	498.00	428.00
	722.50	897.50
	5,230.32	5,437.63

4.1 Nature of Security and Terms of Repayment of Long-term Borrowings:**a. Nature of security**

- i. Term loans from EXIM and AXIS Bank are secured by:
 - a. Mortgage of the Company's immovable properties specified in the relevant loan agreements;
 - b. Hypothecation of the Company's movable properties, both, present and future, save and except Book Debts and subject to prior charge created/or to be created in favour of the Company's Bankers, on stocks of raw materials, semi-finished goods, finished goods and consumables stores for working capital requirements.

The mortgage and charges referred to above rank pari-passu inter se.

- ii. The Company has availed of a Term Loan of ₹ 800 lakhs from Bank of Baroda to part finance Company's normal capital expenditure at Kurkumbh which is secured by creation of charges on properties listed at item 1(a) above and also a second charge by way of hypothecation of Raw Material Inventory, Book Debts, movable Machinery etc.
- iii. ECB loan of US\$ 3.3 million from State bank of India, Hongkong to part finance Company's normal capital expenditure which is secured by creation of charges on properties listed at item 1(a) above and also a second charge by way of hypothecation of Raw Material Inventory, Book Debts, movable Machinery etc.
- iv. Vehicle Loans are secured against specified assets.

b. Terms of repayment of unsecured borrowings:
Borrowings

- i. Deferred payment liability
- ii. Loans and advances from related parties
- iii. Deposits - Inter Corporate

Terms of Repayment

Term loan from Axis Bank of ₹1125 lakhs repayable in 60 monthly instalments from November 30, 2009 alongwith interest of 15.25% p.a. and Term loan from EXIM Bank of ₹ 1700 lakhs repayable in 16 instalments from July 25, 2011 alongwith interest of 12.20% p.a.

Repayable in 60 monthly instalments from October 31, 2009 alongwith interest of 15.25% p.a.

Repayable in 16 quarterly instalments beginning from September 30, 2012 and carries interest rate of 3.40% p.a.

Repayable in equated monthly instalments ranging from 36 to 60 months and carries interest rate ranging from 8.70% to 12.50% p.a.

Deferred payment liability is in respect of Kurkumbh Unit, repayment of which is beginning after November 30, 2013.

Not repayable before March 31, 2013 and carries interest rate of 12% p.a.

Not repayable before March 31, 2013 and carries interest rate ranging from 11.75% to 12% p.a.

	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
5. Deferred Tax Liabilities (Net):		
Items of Timing Difference	Accumulated Deferred Tax (Assets) /Liabilities	Accumulated Deferred Tax (Assets) /Liabilities
Deferred Tax Liabilities		
Related to Fixed Assets	1,822.85	1,718.99
	<u>1,822.85</u>	<u>1,718.99</u>
Deferred Tax Assets		
Provision for doubtful debts and advances	(55.88)	(58.17)
Provision for Gratuity	(62.65)	(61.24)
Provision for Leave Encashment	(27.42)	(23.30)
Disallowance under section 43B	(1.88)	(1.88)
	<u>(147.83)</u>	<u>(144.59)</u>
Net Deferred Tax (Assets) / Liabilities	1,667.72	1,574.40

- 5.1 Due to the write off and reclassification referred to in Note 11 of "Fixed Assets", there was an aggregate reduction in the Deferred Tax Liability to the extent of ₹ 90.78 lakhs in the Financial Year 2010-11.

	₹ in Lakhs	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
6. Long-term Provisions:			
Provision for Employee Benefits (Refer Note 30 to Financial Statements)			
For Gratuity	150.28		138.70
For Leave Encashment	57.48		53.27
		<u>207.76</u>	<u>191.97</u>
Others			
Provision for taxes	NIL		1,233.10
Less : Taxes paid	NIL		1,091.49
		<u>NIL</u>	<u>141.60</u>
		<u>207.76</u>	<u>333.57</u>
7. Short-term Borrowings:			
Loans repayable on demand (Refer Note 7.1)			
Secured			
From Banks			
Cash Credit Facilities	4,798.82		4,621.54
Buyers' Credit	634.77		532.64
		<u>5,433.59</u>	<u>5,154.18</u>
Loans and Advances from Related Parties			
Unsecured		30.00	175.00
Deposits - Inter Corporate			
Unsecured			
From Related Parties (Refer Note 32 to Financial Statements)	365.50		85.51
From Others	NIL		85.00
		<u>365.50</u>	<u>170.51</u>
		<u>5,829.09</u>	<u>5,499.69</u>

- 7.1 Cash Credits including Working Capital Demand Loan and Buyers' Credit from State Bank of India, Standard Chartered Bank and Axis Bank are secured by hypothecation of stocks of raw materials, semi-finished goods, finished goods, consumable stores and book debts of the Company, both, present and future, as mentioned in the joint deed of hypothecation dated December 29, 1989 as amended from time to time, as well as by the second mortgage of the specified immovable properties of the Company.

		As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
8. Trade Payables:			
Micro and Small Enterprises (Refer Note 8.1)	39.99		61.52
Others	<u>2,497.51</u>	<u>2,537.50</u>	<u>2,116.75</u>
		<u>2,537.50</u>	<u>2,178.27</u>
8.1 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:			
Principal amount remaining unpaid and interest due thereon			
- Principal Amount		38.74	58.88
- Interest		NIL	NIL
Interest paid in term of Section 16		NIL	NIL
Interest due and payable for the period of delay in payment		1.25	2.64
Interest accrued and remaining unpaid		NIL	NIL
Interest due and payable even in succeeding years		NIL	NIL
This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.			
9. Other Current Liabilities:			
Current maturities of Long-term Debt			
Term Loans			
Secured			
From Banks	853.16		745.00
From Other Parties - Financial Institutions	<u>428.88</u>	<u>1,282.04</u>	<u>324.74</u>
			1,069.74
Loans and Advances from Related Parties			
Unsecured		7.94	0.03
Interest accrued but not due on borrowings		41.14	30.51
Unpaid Dividends		20.21	16.96
Other Payables			
-For Capital Expenses		106.92	85.17
-Others*		<u>954.42</u>	<u>621.02</u>
		<u>2,412.67</u>	<u>1,823.43</u>
* Others include Statutory Dues, Advance from Customers and other year end provisions.			
10. Short-term Provisions:			
Provision for Employee Benefits (Refer Note 30 to Financial Statements)			
For Gratuity	59.02		50.05
For Leave Encashment	<u>28.04</u>	<u>87.06</u>	<u>18.54</u>
			68.59
Others			
For Proposed Dividend	407.93		305.95
For Tax on Dividend	<u>66.18</u>	<u>474.11</u>	<u>50.81</u>
			356.76
Provision for taxes	595.00		NIL
Less : Taxes paid	<u>576.82</u>	<u>18.18</u>	<u>NIL</u>
		<u>579.35</u>	<u>425.35</u>

₹ In Lakhs

11. Fixed Assets:

DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK		
	During the year				As At March 31, 2012	Upto March 31, 2011	For the year	Deduction /Other Adjustment	Upto March 31, 2012	As At March 31, 2012	As At March 31, 2011
	As At April 01, 2011	Additions	Other Adjustment	Sale							
Tangible Assets											
Land											
Freehold Land	1.15				1.15	-			-	1.15	1.15
Leasehold Land (Note 11.2)	303.20				303.20	51.88	3.88		55.76	247.44	251.32
Buildings	2,542.21	276.49			2,818.70	716.66	73.50		790.16	2,028.54	1,825.55
Plant and Equipment (Note 11.3)											
Machinery	13,910.77	2,671.73	237.45		16,819.95	6,885.30	722.11		7,607.41	9,212.54	7,025.47
Electrical Equipments	51.29	0.49			51.78	17.79	2.42		20.21	31.57	33.50
Furniture and Fixtures	148.26	2.10			150.36	105.20	8.16		113.36	37.00	43.06
Vehicles	173.53	7.00			180.53	33.44	15.69		49.13	131.40	140.09
Office Equipments	255.85	23.20			279.05	158.43	29.49		187.92	91.13	97.42
Others											
Electrical Installations	605.05	104.92			709.97	246.07	28.96		275.03	434.94	358.98
Current year	17,991.31	3,085.93	237.45	-	21,314.69	8,214.77	884.21	-	9,098.98	12,215.71	9,776.54
Previous year	17,470.22	928.87		407.79	17,991.30	7,639.61	911.78	336.61	8,214.78	9,776.52	
Intangible Assets											
Development of R&D Products											
Current year	25.05	8.57		-	33.62	9.52	6.72		16.24	17.38	15.53
Previous year	25.05	8.57	-	-	33.62	9.52	6.72	-	16.24	17.38	15.53
Capital Work in progress	23.48	1.57	-	-	25.05	4.52	5.00		9.52	15.53	
Current year	2,195.53	1,575.66	14.13	3,363.96	421.36						
Previous year	2,195.53	1,575.66	14.13	3,363.96	421.36						
Intangible Assets Under Development											
Patents											
Development of R&D Products											
Current year	10.52	4.66		-	15.18					15.18	10.52
Previous year	122.04	75.07		68.38	128.73					128.73	122.04
Current year	132.56	79.73	-	68.38	143.91					143.91	132.56
Previous year	126.79	67.18		61.41	132.56					132.56	

₹ In Lakhs

11.1 Above Assets Include Research and Development Assets as mentioned below:

DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK		
	As At April 01, 2011	Additions	Other Adjustment	Sale	As At March 31, 2012	Upto March 31, 2011	For the year	Deduction /Other Adjustment	Upto March 31, 2012	As At March 31, 2012	As At March 31, 2011
Tangible Assets											
Plant and Equipment											
Machinery	149.74				149.74	64.97	7.37		72.34	77.40	84.77
Electrical Equipments	9.50				9.50	2.69	0.45		3.14	6.36	6.81
Furniture and Fixtures	51.81	0.88			52.69	31.11	3.34		34.45	18.24	20.70
Vehicles	12.15				12.15	2.20	1.15		3.35	8.80	9.95
Office Equipments	7.50				7.50	4.09	0.42		4.51	2.99	3.41
Others											
Electrical Installations	0.37				0.37	0.16	0.02		0.18	0.19	0.21
Current year	231.07	0.88	-	-	231.95	105.22	12.75	-	117.97	113.98	125.85
Previous year	185.00	57.65		11.58	231.07	69.00	46.98	10.76	105.22	125.85	
Intangible Assets											
Deveolpment of R&D Products	25.05	8.57		-	33.62	9.52	6.72		16.24	17.38	15.53
Current year	25.05	8.57	-	-	33.62	9.52	6.72	-	16.24	17.38	15.53
Previous year	23.48	1.57	-	-	25.05	4.52	5.00		9.52	15.53	
Capital Work in progress											
	0.88	2.98		0.88	2.98					2.98	0.88
Current year	0.88	2.98	-	0.88	2.98	-	-	-	-	2.98	0.88
Previous year	-	0.88	-	-	0.88	-	-	-	-	0.88	
Intangible Assets Under Development											
Patents	10.52	4.66		-	15.18					15.18	10.52
Deveolpment of R&D Products	122.04	75.07		68.38	128.73					128.73	122.04
Current year	132.56	79.73	-	68.38	143.91	-	-	-	-	143.91	132.56
Previous year	126.79	67.18		61.41	132.56					132.56	

- 11.2. The Lease Deed from MIDC in respect of Plot Nos. D-6/2, R-1 and R-2 of the value of ₹ 131.13 lakhs (₹ 131.13 lakhs) is yet to be executed.
- 11.3. Plant, Machinery and Equipments include ₹ 390.87 Lakhs (₹ 390.87 Lakhs) being value of machinery installed at third party premises of Job Contractor, duly confirmed by them for the current year and reflected in the column of "Additions" and "Depreciation-Withdrawal for Sale/Adjustment", respectively.
- 11.4. Adjustments to Capital Work-in-Progress represent capitalisation to Fixed Assets.
- 11.5. Other Adjustments represent Borrowings Costs and Exchange Differences capitalised during the year as per Para 46/46A of AS11, Refer Note 28.2 to Financial Statements.
- 11.6. Borrowing Costs Capitalised during the year is ₹ 143.52 Lakhs (₹ 133.87 Lakhs).
- 11.7. As regards Adjustment due to reclassification in previous year 2010-11, Refer Note 28.1 to Financial Statements.

	₹ in Lakhs	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
12. Non-current Investments:			
Long-term investments - valued at cost less provision for other than temporary diminution			
Other than Trade			
In equity instruments of Subsidiaries			
Unquoted			
Fully paid Equity shares			
Quantity Investee Company			
1,638,266 Alkyl Speciality Chemicals Limited		81.91	81.91
(1,638,266) (₹ 10 par value)			
100 Alkyl Amines Europe SPRL		8.25	8.25
'(100) (Euro 124 par value)			
In equity instruments of Associate			
Quoted			
Fully paid Equity shares			
Quantity Investee Company			
2,977,997* Diamines and Chemicals Limited		144.11	144.11
(1,985,331) (₹ 10 par value)			
		234.27	234.27

	Cost	Market Value	Cost	Market Value
Aggregate amount of Quoted Investments	144.11	1,207.58	144.11	1,448.28
Aggregate amount of Unquoted Investments	90.16	Not Applicable	90.16	Not Applicable
Total	234.27	1,207.58	234.27	1,448.28

* During the year, 992,666 (NIL) number of Bonus shares have been received.

13. Long-term Loans and Advances:

Unsecured			
Capital Advances			
Considered Good	35.37		51.74
Considered Doubtful	0.62		NIL
Less : Provision for Doubtful Advances	0.62		NIL
		35.37	51.74
Security Deposits			
Considered Good	131.52		107.29
Considered Doubtful	4.64		4.64
Less : Provision for Doubtful Deposits	4.64		4.64
		131.52	107.29
Other Loans and Advances			
Advances recoverable in cash or in kind for value to be received			
Considered Good	329.71		284.94
Taxes Paid	1,429.41		635.83
Less : Provision for Taxes	1,120.41		382.31
	309.00		253.52
		638.71	538.46
		805.60	697.49

	₹ in Lakhs	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
14. Other Non-current Assets:			
Inventories (Refer Note 14.1)		153.20	435.43
Trade Receivables			
Considered Doubtful			
- Outstanding for a period exceeding six months from the date they are due for payment	160.13		159.44
Less : Provision for Doubtful Debts	160.13		159.44
		NIL	NIL
Cash and Bank Balances			
Other Bank Balances			
- On Fixed Deposit Accounts			
With maturity beyond 12 months from Balance Sheet date (Held as margin money)		4.85	4.85
Other loans and advances			
Advances recoverable in cash or in kind for value to be received			
Unsecured, Considered Good		167.63	431.69
Advance to Suppliers			
Considered Doubtful	12.51		15.22
Less : Provision for Doubtful Advances	12.51		15.22
		NIL	NIL
		325.68	871.97
14.1 Catalysts not expected to be used within a period of 12 months from the date of the Balance Sheet are considered Non-current.			
15. Inventories:			
Raw Materials		600.26	808.00
(Includes in transit ₹ 14.69 lakhs, previous year ₹ NIL)			
Packing Materials		104.53	63.22
Work in Progress		928.23	1,200.68
Finished Goods		2,106.81	2,067.02
(Includes in transit ₹ 28.81 lakhs, previous year ₹ 53.64 lakhs)			
Stores and Spares		352.84	286.68
Other Utilities, Catalyst, etc.		880.15	770.60
		4,972.82	5,196.20
15.1 Details of Inventories :			
a. Work-in-Progress			
Amines and Amines Derivatives		840.92	1,169.79
Other Speciality Chemicals		85.59	28.87
Industrial Gases		1.72	2.02
		928.23	1,200.68
b. Finished Goods			
Amines and Amines Derivatives		1,934.48	1,988.08
Other Speciality Chemicals		172.33	78.51
Industrial Gases		NIL	0.43
		2,106.81	2,067.02

	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
16. Trade Receivables:		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	NIL	29.81
Others	6,056.43	4,703.06
	6,056.43	4,732.87
	6,056.43	4,732.87
17. Cash and Bank Balances:		
Cash and cash equivalents		
Cash on hand	1.11	2.06
Balances with Banks		
- On Current Accounts	475.38	93.87
- On Unpaid Dividend Accounts	20.21	16.96
	496.70	112.89
Other Bank Balances		
- On Fixed Deposit Accounts		
With maturity within 12 months from Balance Sheet date	610.66	12.44
	1,107.36	125.33
18. Short-term Loans and Advances:		
Unsecured, Considered Good		
Security Deposits	14.03	19.00
Loans and Advances to Related Parties (Refer Note 32)	8.15	0.83
Other Loans and advances		
Advances recoverable in cash or in kind for value to be received	145.94	177.04
Advances to Suppliers	540.02	252.39
Balances with Excise and Service Tax Authorities	286.99	465.05
	972.95	894.48
	995.13	914.31
19. Other Current Assets:		
Interest Receivable on Bank/Security deposits	37.71	2.26
Deferred Premium on Forward Contracts	19.51	23.67
	57.22	25.93

		For the year ended March 31, 2012 ₹ in Lakhs	For the year ended March 31, 2011 ₹ in Lakhs
20. Revenue From Operations:			
Sale of Products - Manufactured Goods		30,202.93	24,879.04
Other Operating Revenues			
Scrap and Raw Material Sales	50.95		83.92
Tolling Charges	454.01		258.14
Export Incentives	119.75		55.37
Miscellaneous Income	24.96		4.16
		649.67	401.59
		30,852.60	25,280.63
Less : Excise Duty on Sales		2,051.63	1,695.09
		28,800.97	23,585.54
20.1 Details of Sales of Products:			
Amines and Amines Derivatives		29,241.56	23,925.96
Other Speciality Chemicals		598.13	737.92
Industrial Gases		363.24	215.16
		30,202.93	24,879.04
21. Other Income:			
Interest on Deposits		73.12	27.55
Dividend on Long-term Investments		89.34	69.49
Insurance Claims		5.24	3.99
Amounts/Excess Provision written back		53.55	75.02
Miscellaneous Income		10.65	5.05
		231.90	181.10
22. Cost of Materials Consumed:			
Raw Materials			
Opening Stock	808.00		1,422.81
Add: Purchases	14,179.93		11,567.00
	14,987.93		12,989.81
Less: Closing Stock	600.26		808.00
		14,387.67	12,181.81
Packing Materials			
Opening Stock	63.22		48.47
Add: Purchases	1,067.60		903.65
	1,130.82		952.12
Less: Closing Stock	104.53		63.22
		1,026.29	888.90
		15,413.96	13,070.71

	For the year ended March 31, 2012 ₹ in Lakhs	For the year ended March 31, 2011 ₹ in Lakhs
22.1 Details of Raw Materials Consumed:		
Denatured Ethyl Alcohol, Methanol and other Alcohols	10,057.34	8478.32
Industrial Gases	1,813.61	1128.36
Others	2,516.72	2575.13
	<u>14,387.67</u>	<u>12,181.81</u>
23. Changes in Inventories of Finished Goods and Work-In-Progress:		
Finished Goods		
Closing Stock	2,106.81	2,067.02
Less : Opening Stock	<u>2,067.02</u>	<u>1,517.25</u>
	(39.79)	(549.77)
Excise Duty Provision on Finished Goods		
Closing Stock	196.54	192.82
Less : Opening Stock	<u>192.82</u>	<u>(142.67)</u>
	3.72	50.15
Work-in-Progress		
Closing Stock	928.23	1,200.68
Less : Opening Stock	<u>1,200.68</u>	<u>946.22</u>
	272.45	(254.46)
	<u>236.38</u>	<u>(754.08)</u>
24. Employee Benefits Expense:		
Salaries and wages		
Directors' Remuneration	249.33	150.27
Salaries, Wages and Benefits	1,026.19	767.70
Contribution to Provident Fund and Other Funds	164.26	122.36
Staff Welfare Expenses	167.68	162.94
	<u>1,607.46</u>	<u>1,203.27</u>
25. Finance Costs:		
Interest Expense		
On Cash Credit Facilities/Buyers' Credit	285.08	274.27
On Term Loans	264.99	294.98
On Others	<u>451.41</u>	<u>341.24</u>
	1,001.48	910.49
Other Borrowing Costs		
Bank Charges	64.14	95.47
Other Finance Charges	<u>37.17</u>	<u>26.32</u>
	<u>1,102.79</u>	<u>1,032.28</u>

		For the year ended March 31, 2012 ₹ in Lakhs	For the year ended March 31, 2011 ₹ in Lakhs
26. Other Expenses:			
Stores and Spares Consumed		705.69	811.85
Power and Fuel		3,620.15	3,767.33
Rent		13.24	11.67
Repairs and Maintenance :			
Building	51.92		44.07
Plant and Machinery	250.89		327.22
Others	131.50		84.23
		434.31	455.52
Insurance		53.37	40.92
Rates and Taxes		9.81	11.06
Auditors' Remuneration			
Audit Fees	6.00		6.00
Tax Audit Fees	2.40		2.15
Taxation Matters	0.60		0.48
Certification Work	2.62		1.80
		11.62	10.43
Foreign Exchange Loss (Net)		416.09	6.91
Processing Charges		550.71	440.85
Export Expenses		372.45	410.41
Dimunition in Carbon Emission Reduction (Refer Note 26.2)		288.95	NIL
Miscellaneous Expenses		934.61	913.67
(Income)/Expenses for prior period (Net) (Refer Note 26.1)		2.09	56.38
		7,413.09	6,937.00
26.1 Details of (Income)/Expenses for prior period:			
Income			
Revenue from Operations			
Sale of Products - Manufactured Goods		(2.58)	(44.07)
Other Income			
Interest and Miscellaneous Income		0.82	(1.25)
Total		(1.76)	(45.32)
Expenses			
Cost of Materials Consumed		NIL	0.27
Employee Cost			
Salaries, Wages, Benefits and Staff Welfare Expenses		(0.92)	1.59
Finance Cost			
Bank Charges		0.06	NIL
Other Expenses			
Power & Fuel		(1.39)	Nil
Rent		0.02	0.07
Repairs Building and Others		(0.83)	0.08
Rates and Taxes		NIL	6.00
Auditors Remuneration			
-Taxation Matters		NIL	0.33
Foreign Exchange (Gain)/Loss (Net)		NIL	(0.52)
Export Expenses		2.73	0.89
Miscellaneous Expenses		0.66	1.28
Total		0.33	11.06
(Income)/Expenses for prior period		2.09	56.38

26.2 From the financial year 2009-10, the Company decided not to recognise Carbon Credits based on mere generation and recognise only when it is certified. Accordingly, the Carbon Credit which was already recognised upto March 31, 2009, on the basis of credits generated, though not certified, continues to be reflected after giving effect due to its realisable value of ₹ 264.06 lakhs (₹ 16.31 lakhs), included as Non-current asset at ₹ 128.90 lakhs (₹ 392.95 lakhs). Accordingly, the amount of ₹ 288.95 Lakhs (NIL) is charged for the year as Dimunition in Carbon Emission Reduction.

26.3 Following expenses incurred during the year on development of new processes for products are transferred to Intangible Assets under Development:

Nature of expenses	₹ In Lakhs	₹ In Lakhs
Cost of Materials consumed		
Raw Materials	2.34	0.19
Packing Materials	0.07	0.12
Employee Benefits Expense		
Salaries, Wages and Benefits	53.14	37.62
Other Expenses		
Stores and Spares consumed	4.29	3.74
Power and Fuel	6.14	7.32
Repairs and Maintenance :		
Plant and Machinery	0.74	0.56
Others	1.99	2.64
Miscellaneous Expenses	6.36	4.48
Total	75.07	56.67

26.4 Expenses incurred on Research and Development during the year are included in the Statement of Profit and Loss as under:

Nature of expenses	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
Cost of Material Consumed				
Raw Materials		0.04		NIL
Employees Benefit Expense (In Note 24)				
Salaries, Wages and Benefits	76.01		84.70	
Contribution to Provident and Other Funds	14.55			
Staff Welfare Expenses	7.69		7.18	
		98.25		91.88
Depreciation		19.48		15.30
Other Expenses (In Note 26)				
Stores and Spares Consumed	0.06			
Rent	9.60		9.60	
Repairs and Maintenance:				
Building	0.07		4.51	
Plant & Machinery	0.53			
Others	0.59		0.95	
Insurance	0.31			
Miscellaneous Expenses	79.19		80.06	
		90.35		95.12
Total		208.12		202.30

27. Contingent Liabilities and Commitments:

		As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
27.1	Contingent Liabilities : (to the extent not provided for)		
	Matters under disputes/appeals :		
	i. Claims against the Company by Ex- employees in Labour Court not acknowledged as debts	53.43	46.14
	ii. Income Tax (Amount deposited ₹ 124.75 lakhs (Previous Year ₹ 85.96 lakhs)).	178.86	85.96
	iii. Inter State Sales Tax against "C" Form	372.97	378.04
	iv. Sales Tax	0.15	0.00
	v. Service Tax	41.41	39.00
	vi. By its order dated February 18, 2002, the Hon'ble High Court, Mumbai, has directed that no transport fee on denatured ethyl alcohol, one of the raw materials of the Company, shall be recovered from the Company by the State Excise Authorities until the final disposal of the petition. The petition is pending disposal by the High Court and the amount estimated on this account is ₹ 471.47 Lakhs (Previous Year ₹ 412.00 Lakhs).		
27.2	Commitments :		
	a. Estimated amount of contracts remaining to be executed on capital account	91.71	126.53
	Less : Advances	35.98	51.74
	Net Estimated Amount	55.73	74.79
	b. Other Commitments	NIL	NIL

28. Fixed Assets:

28.1 On reconciliation of physical verification of Fixed Assets with the records of the Company, discrepancies were noticed as to the existence, as also on account of reclassification and the same were given effect during the financial year 2010-11. As a result, Fixed Assets amounting to ₹ 42.00 lakhs were written off and Fixed Assets with the Gross Block of ₹ 667.72 lakhs as at April 1, 2010 (with the corresponding accumulated depreciation of ₹ 190.10 lakhs thereon upto March 31, 2010) were reclassified and reflected as such under respective Fixed Assets. Due to this reclassification, excess depreciation charged in earlier years of ₹ 7.98 lakhs was considered while arriving at Depreciation for the said financial year 2010-11.

28.2 In terms of Accounting Standard 11 on "The Effects of Changes in Foreign Exchange Rates" (AS - 11), with effect from April 1, 2007, exchange differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of Fixed Assets were recognized in the Statement of Profit and Loss. However, during the year, on the basis of option available to the Company, the Company has decided to add or deduct exchange differences arising on Long-term Foreign Currency Monetary items at rates different from those at which they were initially recorded so far as they relate to the acquisition of a depreciable capital asset. Accordingly, the Company has capitalised exchange difference of ₹ 108.06 Lakhs to its machinery and machinery under installation i.e., Capital Work-in-Progress. As legally advised, the Company has considered the entire amount of exchange differences for the purpose of capitalisation without bifurcating the same between borrowing costs in terms of Accounting Standard 16 on "Borrowing Costs" and exchange differences in terms of Accounting Standard 11. Had the Company not capitalised the exchange differences on Long-term Foreign Currency Monetary item, depreciation and profit for the year would have been lower by ₹ 8.08 Lakhs and ₹ 99.98 Lakhs respectively, and the Net Block and the carried forward surplus as on March 31, 2012 would have been lower by ₹ 99.98 Lakhs.

29. The Company has called for balance confirmations from Trade Receivables and Trade Payables. It has received a few of the confirmations which have been reconciled with the records of the Company. The other balances have been taken as per the records of the Company.

30. Employee Benefits:

As required by Accounting Standard on "Employee Benefits" (AS 15), the following disclosures are made:

Particulars	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2012	For the Year ended March 31, 2011
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Gratuity (Funded)		Compensated Absences (Unfunded)	
	₹ in Lakhs		₹ in Lakhs	
Obligation at period beginning	280.82	247.12	71.81	66.27
Current service cost	22.66	19.23	13.83	11.98
Interest cost	23.17	19.17	5.92	5.30
Actuarial (gain) / loss	29.52	14.40	3.95	(1.69)
Benefits paid	(12.63)	(19.70)	(9.99)	(10.05)
Obligations at the year end	343.54	280.22	85.52	71.81
Change in plan assets				
Plan assets at period beginning, at fair value	92.07	88.50	N.A.	N.A.
Expected return on plan assets	7.36	7.08	N.A.	N.A.
Actuarial gain / (loss)	2.44	1.19	N.A.	N.A.
Contributions	45.00	15.00	N.A.	N.A.
Benefits paid	(12.63)	(19.70)	N.A.	N.A.
Plan assets at the year end, at fair value	134.24	92.07	N.A.	N.A.
Reconciliations of present value of the obligation and the fair value of plan assets				
Fair value of plan assets at the end of the year	134.24	92.07	NIL	NIL
Present value of the defined benefit obligations at the end of the year	343.54	280.82	85.52	71.81
Liability/(Asset) recognised in the Balance Sheet	209.30	188.75	85.52	71.81
Cost for the year				
Current Service cost	22.66	19.23	13.83	11.98
Interest cost	23.17	19.77	5.92	5.30
Expected return on plan assets	(7.36)	(7.08)	NIL	NIL
Actuarial (gain)/loss	27.08	13.21	3.95	(1.69)
Net Cost recognised in the Profit and Loss Account	65.55	45.13	23.70	15.59
Assumptions used to determine the benefit obligations:				
Interest rate	8.50%	8.25%	8.50%	8.25%
Estimated rate of return on plan assets	8.60%	8%	N.A.	N.A.
Expected rate of increase in salary	5%	5%	5%	5%
Actual return on plan assets (₹ In Lakhs)	9.80	7.64	N.A.	N.A.

31. Segment Reporting:

In accordance with Accounting Standard 17, the Company's activities fall into the category of Specialty Chemicals and hence, the Company has only one reportable segment.

32. Related Party Disclosures:

32.1 Following transactions were carried out in the ordinary course of business with the parties referred to in 32.2 below:

(₹ In Lakhs)

Particulars	Subsidiary Companies	Associate Company	Key Managerial Personnel and their relatives	Entities over which Key Managerial Personnel has control	Enterprise over which relatives of Key Managerial Personnel has Control
			[with 32.2 (III) and 32.2 (IV) below]	[with 32.2 (V) below]	[with 32.2 (VI) below]
Sales of Products		1.86 (5.01)			
Purchases		1.00 (0.40)			
Other Income		NIL (1.32)			
Miscellaneous Income (Rent)	0.68 (0.20) [From 32.2 (I) (i)]				
Miscellaneous Expenses (Professional Fees)	12.48 (10.95) [To 32.2 (I) (ii)]				
Miscellaneous Expenses (Commission)	29.64 (3.26) [To 32.2 (I) (i)]				
Transactions on our behalf :					
Cenvat Credit Paid by		4.71 (5.50)			
Cenvat Credit Availed by		11.95 (0.10)			
Miscellaneous Expenses recovered from	1.14 (11.10) [From 32.2 (I) (i)]	0.18 (4.78)			
Miscellaneous Expenses reimbursed to	NIL (0.25) [To 32.2 (I) (i)]	0.77 (0.41)			
Refund of Advances given :	5.22 (NIL) [From 32.2 (I) (ii)]				

Particulars	Subsidiary Companies	Associate Company	Key Managerial Personnel and their relatives	Entities over which Key Managerial Personnel has control	Enterprise over which relatives of Key Managerial Personnel has Control
			[with 32.2 (III) and 32.2 (IV) below]	[with 32.2 (V) below]	[with 32.2 (VI) below]
Loans and Advances - Unsecured :					
Loan from Directors - Received					
Yogesh Kothari			1,375.00 (1,575.00)		
Others			139.00 (145.00)		
Loan from Directors - Repaid					
Yogesh Kothari			1,965.00 (1,350.00)		
Suneet Kothari			213.00 (61.00)		
Deposit - Inter Corporate – Received				NIL (25.00) [From 32.2 (V) (iv)]	
Deposit - Inter Corporate – Repaid				NIL (44.50) [From 32.2 (V) (ii)]	
Interest Expenses :					
On Loans from Directors					
Yogesh Kothari			276.02 (183.36)		
Others			7.54 (9.73)		
On Deposit - Inter Corporate					
YMK Trading & Consultancy Private Limited				20.18 (22.37)	
Others				7.01 (2.57)	
Kamiko Investment & Trading Private Limited					9.75 (8.94)
DSP HMK Holdings Private Limited					14.73 (13.91)
ADIKO Investment Private Limited					14.73 (13.91)
Dividend Income		89.34 (69.48)			
Directors' Remuneration:					
Yogesh Kothari			133.12 (76.95)		
Kirat Patel			63.95 (41.64)		
Suneet Kothari			56.50 (35.31)		
Sitting Fees			0.60 (0.60)		
Commission			26.62 (1.96)		

Particulars	Subsidiary Companies	Associate Company	Key Managerial Personnel and their relatives	Entities over which Key Managerial Personnel has control	Enterprise over which relatives of Key Managerial Personnel has Control
			[with 32.2 (III) and 32.2 (IV) below]	[with 32.2 (V) below]	[with 32.2 (VI) below]
Outstanding Balance As At March 31, 2012					
Loans From Directors					
Yogesh Kothari			807.94 (1,390.00)		
Others			30.00 (104.00)		
Deposit - Inter Corporate					
YMK Trading &Consultancy Private Limited				175.00 (175.00)	
Others				55.00 (50.01)	
Kamiko Investment & Trading Private Limited					85.00 (80.00)
DSP HMK Holdings Private Limited					125.00 (125.00)
ADIKO Investment Private Limited					125.00 (125.00)
Non Current Investments :		144.11 (144.11)			
Alkyl Speciality Chemicals Limited	81.91 (81.91)				
Alkyl Amines Europe SPRL, Belgium	8.24 (8.24)				
Loans and Advances given	NIL (5.11) [From 32.2 (I) (ii)]	8.15 (0.83)			
Trade Payables and Other Current Liabilities	59.49 (34.64) [From 32.2 (I) (i)]				

Figures in the bracket are for previous year.

32.2 Relationships:

- I. Subsidiary Company:
 - i. Alkyl Speciality Chemicals Limited
 - ii. Alkyl Amines Europe SPRL, Belgium
- II. Associate Company:
 - Diamines and Chemicals Limited
- III. Key Managerial Personnel:
 - i. Yogesh M. Kothari
 - ii. Kirat Patel
 - iii. Suneet Y. Kothari

IV. Relative of Key Managerial Personnel:

Hemendra M. Kothari

V. Entities on which Key Managerial Personnel has Control:

- i. Niyoko Trading & Consultancy Private Limited
- ii. YMK Trading & Consultancy Private Limited
- iii. Anjyko Investments Private Limited
- iv. SYK Trading & Consultancy Private Limited

VI. Entities on which relatives of Key Managerial Personnel has control:

- i. Kamiko Investment & Trading Private Limited
- ii. DSP HMK Holdings Private Limited
- iii. ADIKO Investment Private Limited

33. Disclosure on Leases as per Accounting Standard 19 on "Accounting for Leases":**33.1 Where the Company is a Lessee:**

- i. The Company has taken residential, office and godown premises under operating lease or leave and licence agreements. These are generally cancellable and range between 11 months and five years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms.
- ii. Lease/Rent payments are recognised in the Statement of Profit and Loss as 'Rent' under 'Other Expenses' in Note 26.
- iii. Future minimum lease rental payable is as under:

Particulars	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
Within 1 year	3.20	9.60
After 1 year but before 5 years	NIL	3.20
After 5 years	NIL	NIL

- iv. Land taken on lease have been amortised over the respective lease period and ₹ 3.88 lakhs (Previous Year ₹ 3.95 lakhs) has been amortised during the year.

34. Earnings per Share as per Accounting Standard 20:

Particulars	For the Year ended March 31, 2012 ₹ in Lakhs	For the Year ended March 31, 2011 ₹ in Lakhs
Numerator for Basic and diluted earnings per Share		
Net Profit/ (Loss) after tax for the year before Preference Dividend	1,716.38	1,040.49
Less :Preference Dividend and Tax thereon	NIL	NIL
Net Profit/ (Loss) after tax for the year (a)	1,716.38	1,040.49
Denominator for Basic and Diluted Earnings per Share		
Weighted average number of Shares (b)	1,01,98,196	1,01,98,196
Basic and Diluted Earnings per Share [(a) / (b)]	₹ 16.83	₹ 10.20
Face value per Share	₹ 10	₹ 10

35. Disclosure in accordance with Accounting Standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets:

Particulars	As At April 1, 2011 ₹ in Lakhs	Additions during the year ₹ in Lakhs	Amount paid/reversed during the year ₹ in Lakhs	As At March 31, 2012 ₹ in Lakhs
Leave Encashment	71.81 (66.27)	23.70 (15.59)	9.99 (10.05)	85.52 (71.81)
Gratuity	188.75 (158.62)	65.55 (45.13)	45.00 (15.00)	209.30 (188.75)
Proposed Dividend	305.95 (305.95)	407.93 (305.95)	305.95 (305.95)	407.93 (305.95)
Tax on Proposed Dividend	50.81 (51.99)	66.18 (52.00)	50.81 (51.99)	66.18 (50.81)

36. Consumption of Imported / Indigenous Materials:

Particulars	For the Year ended March 31, 2012		For the Year ended March 31, 2011	
	Percentage	Value ₹ in Lakhs	Percentage	Value ₹ in Lakhs
Raw Materials				
Imported	17.34%	2,495.00	19.92%	2,426.70
Indigenous	82.66%	11,892.01	80.08%	9,754.81
TOTAL		14,387.01		12,181.51
Stores and Spares				
Imported	20.64%	163.25	3.34%	26.33
Indigenous	79.36%	627.57	96.66%	761.47
TOTAL		790.82		787.80

37. Value of Imports calculated on C.I.F basis:

Particulars	For the Year ended March 31, 2012 (₹ in Lakhs)	For the Year ended March 31, 2011 (₹ in Lakhs)
Raw Materials *	2,110.72	2,477.64
Stores and Spares	134.52	307.08
TOTAL	2,245.24	2,784.72

* Figures for the year ended March 31, 2012, includes a sum of ₹ 53,511.00 towards insurance. The same was not considered for the previous year ended March 31, 2011 as it was not material.

38. Expenditure in Foreign Currency:

Particulars		For the Year ended March 31, 2012 ₹ in Lakhs	For the Year ended March 31, 2011 ₹ in Lakhs
a.	Interest		
	Term Loan	38.32	NIL
	Less: Interest Capitalised	4.51	NIL
		33.81	NIL
	Cash Credit Facilities/Buyer's Credit	164.77	103.03
b.	Bank Charges	51.07	15.89
	Less: Interest Capitalised	17.78	NIL
		33.29	15.89
c.			
	Commission on Sales	54.85	41.80
	Professional Charges	15.45	18.85
	Export Expenses	1.81	NIL
	Freight Inward	4.55	NIL
	Miscellaneous Expenses	1.04	11.79
	TOTAL	309.57	191.36

39. Earnings in Foreign Currency:

Particulars	For the Year ended March 31, 2012 ₹ in Lakhs	For the Year ended March 31, 2011 ₹ in Lakhs
Export of Goods at F.O.B. value	6,361.32	4,073.26
Other Income	14.76	7.74
TOTAL	6,376.08	4,081.00

40. Financial and Other Derivative Instruments:

40.1 Derivative contracts entered into by the Company are for hedging foreign currency risks; the following contracts have remained outstanding:

Particulars		Balance As At March 31, 2012		Balance As At March 31, 2011	
Forward Contracts for		In Foreign Currency	₹ in Lakhs	In Foreign Currency	₹ in Lakhs
Export Trade Receivables	US \$	15,72,000	799.05	1,00,000	4.74
	Euro	1,35,000	91.29	NIL	NIL
Import Trade Payables	US \$	8,97,000	463.12	2,98,920	137.62
	Euro	NIL	NIL	42,000	27.02
FCNR (B) Loan	US \$	29,50,000	1,523.09	22,50,000	1,043.33
Buyer's Credits	US\$	12,13,998.39	626.79	5,39,080	251.32
	Euro	NIL	NIL	2,20,000	141.14

40.2 Foreign Currency exposure that are not hedged by the derivative instruments:

Particulars		Balance As At March 31, 2012		Balance As At March 31, 2011	
		In Foreign Currency	₹ in Lakhs	In Foreign Currency	₹ in Lakhs
Export Trade Receivables	US \$	2,63,598.09	133.99	17,72,469.58	784.21
	Euro	6,28,122.88	424.74	3,65,721.55	228.66
Import Trade Payables	US\$	NIL	NIL	2,70,976.32	121.43
	Euro	NIL	NIL	2,441.40	1.55
Interest on FCNR(B) Loan Payable	US \$	21,584.00	11.14	11,551.00	5.18
Interest on ECB payable	US \$	623.00	0.32	NIL	NIL
Buyers' Credits	US \$	15,469.91	7.99	2,52,505.55	113.15
	Euro	NIL	NIL	59,390.00	37.82

All outstanding derivatives are marked to market on the balance sheet date and accordingly, mark to market profit of ₹ 16.52 Lakhs (Previous Year profit of ₹ 46.81 Lakhs) has been recognised.

As per our Report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No.100991W

PARESH H. CLERK

Partner, Membership No. 36148

Place : Mumbai

Dated : May 22, 2012

For and on behalf of the Board of Directors

YOGESH M. KOTHARI

Chairman and Managing Director

K. P. RAJAGOPALAN

General Manager (Secretarial and Legal)

KIRAT PATEL

Executive Director

Place : Mumbai

Dated : May 22, 2012

CONSOLIDATED FINANCIAL STATEMENTS FINANCIAL HIGHLIGHTS - YEAR 2011-2012

Information under section 212 of The Companies Act, 1956 relating to the subsidiary companies and also details regarding associate company
(₹ in Lakhs)

PARTICULARS	Alkyl Amines Chemicals Ltd.	Alkyl Speciality Chemicals Ltd.	Alkyl Amines Europe Sprl	Diamines and Chemicals Ltd.
Status of Investee	-	Subsidiary Company	Subsidiary Company	Associate Company
% of Holding of AACL (Approx.)	-	100%	100%	30.44%
Share Capital	1020.62	163.83	8.25	978.32
Reserves & Surplus	9535.58	51.10	-	2714.27
(Including Deferred Taxation (Net)				
Debit Balance of Profit & Loss A/c.	-	(109.73)	(4.13)	-
Total Assets	27352.87	107.50	0.31	7450.55
Total Liabilities	27352.87	107.50	0.31	7450.55
Investments	234.27	-	-	10.67
Gross Turnover / Other Income	31084.50	29.96	12.48	7315.44
Operating Profit(PBIDT)	4361.98	25.52	4.54	1077.90
Profit before Tax	2368.25	25.52	4.54	503.44
Provision for Taxation	651.87	-	-	143.03
Profit after Tax	1716.38	25.52	4.54	360.41
Proposed Dividend	40%	-	-	10%
		Exchange rate - EURO=₹ 67.62		

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ALKYL AMINES
CHEMICALS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS**

1. We have audited the attached Consolidated Balance Sheet of **ALKYL AMINES CHEMICALS LIMITED** ("the Company") and its subsidiary as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. 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. We or any other auditor did not audit the financial statements of a subsidiary (which were prepared for the purpose of consolidation) whose financial statements reflect total net assets of ₹ 0.31 lakhs as at March 31, 2012, total revenue of ₹ 12.48 lakhs and net cash outflow of ₹ 0.89 lakhs. The financial statements of the subsidiary as drawn as on December 31, 2011 have been audited by other auditor whose report has been furnished to us, and the same has been reviewed by us as a reference for the purpose of this consolidation.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standards 21 (AS-21) - "Consolidated Financial Statements" and Accounting Standard 23 (AS-23) - "Accounting for Investments in Associates in Consolidated Financial Statements", as referred to in Section 211 (3C) of the Companies Act, 1956, which have been notified by the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on audited financial statements of the company, its subsidiaries and associate and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, read together with notes forming part thereof, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Consolidated Balance Sheet, of the state of affairs of the Company, its subsidiary and its associate, as at March 31, 2012;
 - b. In the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c. In the case of the Consolidated Cash Flows statement, of the cash flow for the year ended on that date.

For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

PARESH H. CLERK
Partner
Membership No. 36148

Place : Mumbai
Dated : May 22, 2012

BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	₹ in Lakhs	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	3	1,020.60		1,020.63
Reserves and Surplus	4	8,784.13	9,804.73	7,504.15
				8,524.78
Non-current Liabilities				
Long-term Borrowings	5	5,230.32		5,437.63
Deferred Tax Liabilities (Net)	6	1,667.72		1,574.40
Other Long-term Liabilities	7	0.27		0.27
Long-term Provisions	8	207.76	7,106.07	333.57
				7,345.87
Current Liabilities				
Short-term Borrowings	9	5,829.09		5,499.69
Trade Payables	10	2,537.72		2,178.24
Other Current Liabilities	11	2,359.63		1,792.53
Short-term Provisions	12	580.93	11,307.37	425.35
				9,895.81
TOTAL			28,218.17	25,766.46
ASSETS				
Non-current Assets				
Fixed Assets				
Tangible Assets	13	12,215.71		9,776.54
Intangible Assets		17.38		15.53
Capital Work-in-Progress		421.36		2,195.53
Intangible Assets under Development		143.91		132.56
		12,798.36		12,120.16
Non-current Investments	14	1,045.03		1,034.96
Long-term Loans and Advances	15	811.34		703.23
Other Non-current Assets	16	334.00	14,988.73	876.78
				14,735.13
Current Assets				
Inventories	17	4,972.82		5,196.20
Trade Receivables	18	6,056.43		4,732.87
Cash and Bank Balances	19	1,116.49		138.30
Short-term Loans and Advances	20	1,022.70		935.83
Other Current Assets	21	61.00	13,229.44	28.13
				11,031.33
TOTAL			28,218.17	25,766.46
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements				
	1-44			

As per our Report of even date attached

 For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No.100991W

PARESH H. CLERK

Partner, Membership No. 36148

Place : Mumbai

Dated : May 22, 2012

For and on behalf of the Board of Directors

YOGESH M. KOTHARI

Chairman and Managing Director

K. P. RAJAGOPALAN

General Manager (Secretarial and Legal)

KIRAT PATEL

Executive Director

Place : Mumbai

Dated : May 22, 2012

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2012**

	Note No.	₹ in Lakhs	For the Year ended March 31, 2012 ₹ in Lakhs	For the Year ended March 31, 2011 ₹ in Lakhs
Revenue from Operations	22		30,852.60	25,280.63
Less : Excise Duty on Sales			2,051.63	1,695.09
Revenue from Operations (Net)			28,800.97	23,585.54
Other Income	23		234.39	183.98
Total Revenue			29,035.36	23,769.52
Expenses				
Cost of Materials Consumed	24		15,413.96	13,070.71
Changes in Inventories of Finished Goods and Work-in-Progress	25		236.38	(754.08)
Employee Benefits Expense	26		1,609.67	1,203.27
Finance Costs	27		1,102.79	1,032.28
Depreciation and Amortisation Expense			890.94	916.78
Other Expenses	28		7,383.32	6,943.01
Total Expenses			26,637.06	22,411.96
Profit before Exceptional Items and Tax			2,398.30	1,357.56
Exceptional items			NIL	NIL
Profit Before Tax			2,398.30	1,357.56
Tax Expense:				
Current Tax		595.00		541.00
Deferred Tax		93.33		(146.44)
Current Tax (MAT)		1.58		NIL
Less : MAT Credit Entitlement		(1.58)		NIL
Current Tax Adjustments of Earlier Years		(36.46)		(73.74)
			651.87	320.82
Profit (Loss) for the Year			1,746.42	1,036.74
Share of Profit of Associate Company			13.07	358.84
Profit (Loss) for the Year			1,759.49	1,395.58
Earnings Per Equity Share of ₹ 10 :				
Basic and Diluted (₹)			17.25	13.68
Notes (Including Significant Accounting Policies) Forming Part of the Financial Statements	1-44			

As per our Report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No.100991W

PARESH H. CLERK

Partner, Membership No. 36148

Place : Mumbai

Dated : May 22, 2012

For and on behalf of the Board of Directors

YOGESH M. KOTHARI

Chairman and Managing Director

K. P. RAJAGOPALAN

General Manager (Secretarial and Legal)

KIRAT PATEL

Executive Director

Place : Mumbai

Dated : May 22, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the Year ended March 31, 2012 ₹ in Lakhs	For the Year ended March 31, 2011 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	2,398.30	1,357.56
Adjustments for :		
Loss on Sale of Fixed Assets	NIL	10.93
Assets Written Off	65.55	103.18
Depreciation	890.94	916.78
Interest Expense	1,102.79	1,032.28
Dividend Income	(89.34)	(69.49)
Interest on Deposits and Others	(76.21)	(30.63)
Unrealised Loss/(Gain) on Foreign Exchange	213.90	(28.09)
Provision for Bad and Doubtful Debts	8.21	43.40
Operating Profit Before Working Capital Changes	4,514.14	3,335.92
Adjustments for :		
Long-term Loans and Advances and other Non-current Assets	477.26	(110.29)
Inventories	223.38	(9.74)
Trade Receivables and Short-term Loans and Advances	(1,632.54)	(669.11)
Other Current Assets	(31.29)	(11.35)
Other Long-term Liabilities and Long-term Provisions	15.79	(10.14)
Trade payables, Other Current Liabilities and Short-term Provisions	724.84	155.46
Cash Generated From Operations	4,291.58	2,680.75
Income Tax paid	(740.72)	(231.42)
Net Cash From Operating Activities	3,550.86	2,449.33
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1474.80)	(1885.00)
Sale of Fixed Assets	NIL	18.25
Dividend Income	89.34	69.49
Interest on Deposits and Others	76.21	30.63
Effect of Exchange Fluctuation on Foreign Currency	(2.41)	(1.40)
Bank Deposits having Original Maturity of more than 3 months	(598.46)	19.30
Net Cash From Investing Activities	(1910.12)	(1748.73)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Deferred Sales Tax Payment	NIL	(20.18)
Proceeds from Long-term Borrowings	12.90	1306.20
Increase/Decrease in Short-term Borrowings	329.40	(636.85)
Interest Paid	(1,246.31)	(1,166.15)
Dividend Paid (Including Dividend Distribution Tax)	(356.76)	(357.94)
Net Cash From Financing Activities	(1,260.77)	(874.92)
Increase in Cash and Cash Equivalents (A+B+C)	379.97	(174.32)
Cash and Cash Equivalents at the Beginning Of the Year	125.86	300.18
Cash and Cash Equivalents at the End of the Year	505.83	125.86
Components of Cash and Cash Equivalents :		
Cash on hand	1.11	2.06
Other Bank Balances		
- On Current Accounts	484.51	106.84
- On Unpaid Dividend Accounts	20.21	16.96
	505.83	125.86

Note: Purchase of Fixed Assets includes addition to Capital Work in Progress during the year.

As per our Report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No.100991W

PARESH H. CLERK

Partner, Membership No. 36148

Place : Mumbai

Dated : May 22, 2012

For and on behalf of the Board of Directors

YOGESH M. KOTHARI

Chairman and Managing Director

KIRAT PATEL

Executive Director

Place : Mumbai

Dated : May 22, 2012

K. P. RAJAGOPALAN

General Manager (Secretarial and Legal)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF CONSOLIDATION:

1.1 Basis of Preparation:

The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard - 21 (AS-21) – “Consolidated Financial Statements” and Accounting Standard - 23 (AS-23) – “Accounting for Investments in Associates in Consolidated Financial Statements” as referred to in Section 211 (3C) of the Companies Act, 1956, which have been notified by the Companies (Accounting Standards) Rules, 2006.

1.2 Principles of Consolidation:

- a. The CFS relate to Alkyl Amines Chemicals Limited (“the Company”), its subsidiaries, Alkyl Speciality Chemicals Limited, Alkyl Amines Europe SPRL and its associate Diamines and Chemicals Limited (“the Group”). The financial statements of the subsidiary companies and associate used in consolidation are drawn/prepared for consolidation upto the same reporting date as the Company.

The consolidated statements are prepared on the following basis:

- i. The financial statements of subsidiary companies have been combined on line to line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions and the unrealised profits/losses as per AS-21.
- ii. In case of a foreign subsidiary, being non-integral foreign operations, revenue items, which are not material, and all assets and liabilities are converted at the rate prevailing at the end of the year. To the extent items of income and expenses which are material are translated at exchange rates at the date of transactions. All resulting exchange differences arising out of the translation are accumulated in foreign currency translation reserve.
- iii. The difference between the cost of investments in subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the CFS as Goodwill or Capital Reserve, as the case may be.
- iv. The investment in the associate company is accounted for in the CFS using the Equity Method of accounting as contained in AS- 23.
- b. The CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s standalone financial statements.

1.3 Companies included in Consolidation:

The following companies are considered for the CFS:

Name of Company	Subsidiary / Associate	Country of incorporation	% of holding
Alkyl Speciality Chemicals Limited	Subsidiary	India	100.00
Alkyl Amines Europe SPRL	Subsidiary	Belgium	100.00
Diamines and Chemicals Limited	Associate	India	30.44

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 ACCOUNTING CONVENTION:

- i. The accounts are prepared on the basis of going concern under historical cost convention as also accrual basis and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been notified by the Companies (Accounting Standards) Rules, 2006, and in accordance with the requirements of the Companies Act, 1956.
- ii. The Consolidated financial statements for the year ended March 31, 2011 had been prepared in the same format as to the Standalone financial statements i.e. as per the then applicable, pre-Revised Schedule VI to the Companies Act, 1956. Consequent to the notification of the Revised Schedule VI under the Companies Act, 1956, the Standalone financial statements of the Company have been prepared as per the Revised Schedule VI. Accordingly, the Consolidated Financial Statements for the year ended March 31, 2012 are prepared as per the Revised Schedule VI. Due to such presentation, the previous year's figures have also been reclassified/regrouped to conform to this year's classification. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

2.2 USE OF ESTIMATES:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions to be made that affect the reported amounts of revenues and expenses during the reporting period, the reported amounts of assets and liabilities and the disclosures relating to the contingent liabilities on the date of the financial statements. Examples of such estimates include useful lives of Fixed Assets, provision for doubtful debts/advances, deferred tax etc. Actual results could differ from those estimates. Such difference is recognised in the period/s in which the results are known / materialised.

2.3 OTHER SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL INFORMATION:

The other Significant Accounting Policies are set out in Significant Accounting Policies as given in the Standalone Financial Statements of the Holding Company, Alkyl Amines Chemicals Limited and its subsidiaries Alkyl Speciality Chemicals Limited and Alkyl Amines Europe SPRL. Additional information not impacted by the Consolidation of Financial Statements is also set out in the Notes [forming part of the Financial Statements] of the Holding Company and Subsidiary Companies, respectively.

	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
3. Share Capital:		
Authorised:		
15,000,000(15,000,000) Equity Shares of ₹ 10 par value	1,500.00	1,500.00
1,500,000 (1,500,000) Cumulative Redeemable Preference Shares of ₹ 100 par value	1,500.00	1,500.00
	3,000.00	3,000.00
Issued, Subscribed And Paid Up:		
10,198,196 (10,198,196) Equity Shares of ₹ 10 par value fully paid	1,019.82	1,019.82
Shares/Warrants forfeited	0.78	0.80
	1,020.60	1,020.63
	1,020.60	1,020.63

3.1 Reconciliation of the number of shares outstanding and amount of share capital:

	As At March 31, 2012		As At March 31, 2011	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares of ₹ 10 par value				
At the beginning	10,198,196	1,019.82	10,198,196	1,019.82
Changes during the year	NIL	NIL	NIL	NIL
At the end	10,198,196	1,019.82	10,198,196	1,019.82

3.2 Rights, preferences and restrictions:

- The Company has only one class of shares referred to as equity shares having par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. The Board of Directors, in their meeting on May 22, 2012, proposed a final dividend of ₹ 4 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 474.11 Lakhs including corporate dividend tax of ₹ 66.18 Lakhs.

During the year ended March 31, 2011, the amount of per share dividend recognised as distribution to equity shareholders is ₹ 3 per share. The Dividend appropriation for the year ended March 31, 2011 amounted to ₹ 356.76 Lakhs including corporate dividend tax of ₹ 50.81 Lakhs.

- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

	As At March 31, 2012		As At March 31, 2011	
Name of the Shareholder	No. of shares	% held	No. of shares	% held
Yogesh M. Kothari	6,123,311	60.04	6,123,311	60.04

CONSOLIDATED FINANCIAL RESULTS

ALKYL AMINES CHEMICALS LIMITED

		As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
4. Reserves and Surplus:			
Revaluation Reserve (Of the Associate Company)			
Transferred from General reserve	99.18		102.42
Less: Transferred to Statement of Profit and Loss	3.00		3.24
		96.17	99.18
Capital Reserve			
As per last Balance Sheet	142.68		142.68
Add : Share warrants forfeited	0.02		NIL
		142.70	142.68
Capital Redemption Reserve		25.00	25.00
Securities Premium		1,290.97	1,290.97
General Reserve			
As per last Balance Sheet	2,427.82		2,577.82
Less : Opening Adjustments (Refer Note 32)	NIL		255.00
Add : Transfer from Surplus	172.00		105.00
		2,599.82	2,427.82
Foreign Currency Translation Reserve (Refer Note 31)		(3.81)	(1.40)
Surplus			
As per last Balance Sheet	3,519.90		2,350.46
Add : Net Profit after Tax transferred from Statement of Profit and Loss	1,759.49		1,395.58
Add : Opening Adjustments (Refer Note 32)	NIL		235.62
Less : Appropriations			
General Reserve	172.00		105.00
Proposed Dividend	407.93		305.95
Tax on Dividend	66.18		50.81
		4,633.28	3,519.90
		8,784.13	7,504.15
5. Long-term Borrowings:			
Term Loans [Refer Note 5.1 (a) below]			
-Secured			
From Banks	1,759.83		891.26
From Other Parties - Financial Institutions	956.59		1,338.47
		2,716.42	2,229.73
Deferred Payment Liabilities			
-Unsecured			
Sales Tax Deferral under the Package Scheme of Incentives, 1993 [Refer Note 5.1 (b)(i) below]		991.40	991.40
Loans and advances from Related Parties			
-Unsecured [Refer Note 5.1 (b)(ii) below]		800.00	1,319.00
Deposits - Inter Corporate [Refer Note 5.1 (b)(iii) below]			
-Unsecured			
From Related Parties (Refer Note 32 to Financial Statements)	224.50		469.50
From Others	498.00		428.00
		722.50	897.50
		5,230.32	5,437.63

5.1 Nature of Security and Terms of Repayment of Long-term Borrowings:**a. Nature of security**

- i. Term loans from EXIM and AXIS Bank are secured by:
 - a. Mortgage of the Company's immovable properties specified in the relevant loan agreements;
 - b. Hypothecation of the Company's movable properties, both, present and future, save and except Book Debts and subject to prior charge created/or to be created in favour of the Company's Bankers, on stocks of raw materials, semi-finished goods, finished goods and consumables stores for working capital requirements.

The mortgage and charges referred to above rank pari-passu inter se.

- ii. The Company has availed of a Term Loan of ₹ 800 lakhs from

Bank of Baroda to part finance Company's normal capital expenditure at Kurkumbh which is secured by creation of charges on properties listed at item 1(a) above and also a second charge by way of hypothecation of Raw Material Inventory, Book Debts, movable Machinery etc.

- iii. ECB loan of US\$ 3.3 million from State bank of India, Hongkong

to part finance Company's normal capital expenditure which is secured by creation of charges on properties listed at item 1(a) above and also a second charge by way of hypothecation of Raw Material Inventory, Book Debts, movable Machinery etc.

- iv. Vehicle Loans are secured against specified assets.

Terms of Repayment

Term loan from Axis Bank of ₹1125 lakhs repayable in 60 monthly instalments from November 30, 2009 alongwith interest of 15.25% p.a. and Term loan from EXIM Bank of ₹1700 lakhs repayable in 16 instalments from July 25, 2011 alongwith interest of 12.20% p.a.

Repayable in 60 monthly instalments from October 31, 2009 alongwith interest of 15.25% p.a.

Repayable in 16 quarterly instalments beginning from September 30, 2012 and carries interest rate of 3.40% p.a.

Repayable in equated monthly instalments ranging from 36 to 60 months and carries interest rate ranging from 8.70% to 12.50% p.a.

b. Terms of repayment of unsecured borrowings:**Borrowings**

- i. Deferred payment liability
- ii. Loans and advances from related parties
- iii. Deposits - Inter Corporate

Terms of Repayment

Deferred payment liability is in respect of Kurkumbh Unit, repayment of which is beginning after November 30, 2013.

Not repayable before March 31, 2013 and carries interest rate of 12% p.a.

Not repayable before March 31, 2013 and carries interest rate ranging from 11.75% to 12% p.a.

6. Deferred Tax Liabilities (Net):	As At March 31, 2012	As At March 31, 2011
Items of Timing Difference	Accumulated Deferred Tax (Assets)/Liabilities	Accumulated Deferred Tax (Assets)/Liabilities
Deferred Tax Liabilities		
Related to Fixed Assets	<u>1,822.85</u>	<u>1,718.99</u>
	1,822.85	1,718.99
Deferred Tax Assets		
Provision for doubtful debts and advances	(55.88)	(58.17)
Provision for Gratuity	(62.65)	(61.24)
Provision for Leave Encashment	(27.42)	(23.30)
Disallowance under section 43B	<u>(1.88)</u>	<u>(1.88)</u>
	(147.83)	(144.59)
Net Deferred Tax (Assets) / Liabilities	<u>1,667.72</u>	<u>1,574.40</u>

6.1 Due to the write off and reclassification referred to in Note 13 of "Fixed Assets", there was an aggregate reduction in the Deferred Tax Liability to the extent of ₹ 90.78 lakhs in the Financial Year 2010-11.

	As At March 31, 2012	As At March 31, 2011
₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
7. Other Long-term Liabilities:		
Others	<u>0.27</u>	<u>0.27</u>
	0.27	0.27
8. Long-term Provisions:		
Provision for Employee Benefits (Refer Note 30 to Financial Statements)		
For Gratuity 150.28		138.70
For Leave Encashment 57.48		<u>53.27</u>
	207.76	191.97
Others		
Taxes Paid NIL		1,233.10
Less : Provision for Taxes NIL		<u>1,091.49</u>
	NIL	141.60
	<u>207.76</u>	<u>333.57</u>

		As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
9. Short-Term Borrowings:			
Loans repayable on demand (Refer Note 9.1)			
Secured			
From Banks			
Cash Credit Facilities	4,798.82		4,621.54
Buyers' Credit	634.77		532.64
		5,433.59	5,154.18
Loans and Advances from Related Parties.			
Unsecured		30.00	175.00
Deposits - Inter Corporate			
Unsecured			
From Related Parties (Refer Note 32 to Financial Statements)	365.50		85.51
From Others	NIL		85.00
		365.50	170.51
		5,829.09	5,499.69

9.1 Cash Credits including Working Capital Demand Loan and Buyers' Credit from State Bank of India, Standard Chartered Bank and Axis Bank are secured by hypothecation of stocks of raw materials, semi-finished goods, finished goods, consumable stores and book debts of the Company, both, present and future, as mentioned in the joint deed of hypothecation dated December 29, 1989 as amended from time to time, as well as by the second mortgage of the specified immovable properties of the Company.

10. Trade Payables:

Micro and Small Enterprises (Refer Note 10.1)	39.99	61.52
Others	2,497.73	2,116.72
	2,537.72	2,178.24
	2,537.72	2,178.24

10.1 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:

Principal amount remaining unpaid and interest due thereon

- Principal Amount	38.74	58.88
- Interest	NIL	NIL
Interest paid in term of Section 16	NIL	NIL
Interest due and payable for the period of delay in payment	1.25	2.64
Interest accrued and remaining unpaid	NIL	NIL
Interest due and payable even in succeeding years	NIL	NIL

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

		As At March 31, 2012	As At March 31, 2011
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11. Other Current Liabilities:			
Current maturities of Long-term Debt			
Term Loans			
Secured			
From Banks	853.16		745.00
From Other Parties - Financial Institutions	428.88		324.74
		1,282.04	1,069.74
Loans and Advances from Related Parties			
Unsecured		7.94	0.03
Interest accrued but not due on Borrowings		41.14	30.51
Unpaid Dividends		20.21	16.96
Other Payables			
-For Capital Expenses		106.92	85.17
-Others*		901.38	590.12
		2,359.63	1,792.53
* Others include Statutory Dues, Advance from Customers and other year end liabilities provided.			
12. Short-term Provisions:			
Provision for Employee Benefits (Refer Note 30 to Financial Statements)			
For Gratuity	59.02		50.05
For Leave Encashment	28.04		18.54
		87.06	68.59
Others			
For Proposed Dividend	407.93		305.95
For Tax on Dividend	66.18		50.81
		474.11	356.76
Provision for Taxes	596.58		NIL
Less : Taxes paid	576.82		NIL
		19.76	NIL
		580.93	425.35

₹ in Lakhs

13. Fixed Assets:

DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2011	Additions	During the year		As At March 31, 2012	Upto March 31, 2011	For the year	Deduction /Other Adjustments	Upto March 31, 2012	As At March 31, 2012
			Other Adjustments	Sale						
Tangible Assets										
Land										
Freehold Land	1.15				1.15	-			-	1.15
Leasehold Land (Note 13.2)	303.20				303.20	51.88	3.88		55.76	251.32
Buildings	2,542.21	276.49			2,818.70	716.66	73.50		790.16	1,825.55
Plant and Equipment (Note 13.3)										
Machinery	13,910.77	2,671.73	237.45		16,819.95	6,885.30	722.11		7,607.41	7,025.47
Electrical Equipments	51.29	0.49			51.78	17.79	2.42		20.21	33.50
Furniture and Fixtures	148.26	2.10			150.36	105.20	8.16		113.36	43.06
Vehicles	173.53	7.00			180.53	33.44	15.69		49.13	140.09
Office Equipments	255.85	23.20			279.05	158.43	29.49		187.92	97.42
Others										
Electrical Installations	605.05	104.92			709.97	246.07	28.96		275.03	358.98
Current year	17,991.31	3,085.93	237.45	-	21,314.69	8,214.77	884.21	-	9,098.98	9,776.54
Previous year	17,470.22	928.87		407.79	17,991.30	7,639.61	911.78	336.61	8,214.78	9,776.52
Intangible Assets										
Development of R&D Products										
Current year	25.05	8.57	-	-	33.62	9.52	6.72	-	16.24	15.53
Previous year	23.48	1.57	-	-	33.62	9.52	6.72	-	16.24	15.53
Capital Work in progress										
Current year	2,195.53	1,575.66	14.13	3,363.96	421.36				421.36	2,195.53
Previous year	957.94	2,167.81		930.22	2,195.53					2,195.53
Intangible Assets Under Development										
Patents	10.52	4.66		-	15.18					10.52
Development of R&D Products	122.04	75.07		68.38	128.73					122.04
Current year	132.56	79.73	-	68.38	143.91					132.56
Previous year	126.79	67.18		61.41	132.56					132.56

₹ in Lakhs

13.1 Above assets include Research and Development assets as mentioned below:

DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At April 01, 2011	Additions	Other Adjustments	Sale	As At March 31, 2012	Upto March 31, 2011	For the year	Deduction /Other Adjustments	Upto March 31, 2012	As At March 31, 2011
Tangible Assets										
Plant and Equipment	149.74				149.74	64.97	7.37		72.34	84.77
Machinery	149.74				149.74	64.97	7.37		72.34	84.77
Electrical Equipments	9.50				9.50	2.69	0.45		3.14	6.81
Furniture and Fixtures	51.81	0.88			52.69	31.11	3.34		34.45	20.70
Vehicles	12.15				12.15	2.20	1.15		3.35	9.95
Office Equipments	7.50				7.50	4.09	0.42		4.51	3.41
Others										
Electrical Installations	0.37				0.37	0.16	0.02		0.18	0.21
Current year	231.07	0.88	-	-	231.95	105.22	12.75	-	117.97	125.85
Previous year	185.00	57.65		11.58	231.07	69.00	46.98	10.76	105.22	125.85
Intangible Assets										
Development of R&D Products	25.05	8.57		-	33.62	9.52	6.72		16.24	15.53
Current year	25.05	8.57	-	-	33.62	9.52	6.72	-	16.24	15.53
Previous year	23.48	1.57	-	-	25.05	4.52	5.00		9.52	15.53
Capital Work in progress										
Current year	0.88	2.98		0.88	2.98				2.98	0.88
Previous year	0.88	2.98	-	0.88	2.98	-	-	-	2.98	0.88
Intangible Assets Under Development										
Patents	10.52	4.66		-	15.18					10.52
Development of R&D Products	122.04	75.07		68.38	128.73					122.04
Current year	132.56	79.73	-	68.38	143.91	-	-	-	-	132.56
Previous year	126.79	67.18		61.41	132.56					132.56

13.2 The Lease Deed from MIDC in respect of Plot Nos. D-6/2, R-1 and R-2 of the value of ₹ 131.13 lakhs (₹ 131.13 lakhs) is yet to be executed.
 13.3 Plant, Machinery and Equipments include ₹ 390.87 Lakhs (₹ 390.87 Lakhs) being value of machinery installed at third party premises of Job Contractor, duly confirmed by them for the current year and reflected in the column of "Additions" and "Depreciation-Withdrawal for Sale/Adjustment", respectively.

13.4 Adjustments to Capital Work-in-Progress represent capitalisation to Fixed Assets.

13.5 Other Adjustments represent Borrowings Costs and Exchange Differences capitalised during the year as per Para 46/46A of AS11, Refer Note 30.2 to Financial Statements.

13.6 Borrowing Costs Capitalised during the year is ₹ 143.52 Lakhs (₹ 133.87 Lakhs).

13.7 As regards adjustment due to reclassification in previous year 2010-11, Refer Note 30.1 to Financial Statements.

		As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
14. Non-current Investments:			
Long-term investments - valued at cost less provision for other than temporary diminution			
Other than Trade			
In equity instruments of Associate			
Quoted			
Fully paid Equity shares			
Quantity	Investee Company		
2,977,997*	Diamines and Chemicals Limited	144.11	144.11
(1,985,331)	(₹ 10 par value)		
Add : Share of post acquisition profits		900.92	890.85
		1,045.03	1,034.96

	As At March 31, 2012 ₹ in Lakhs		As At March 31, 2011 ₹ in Lakhs	
	Cost	Market Value	Cost	Market Value
Aggregate amount of Quoted Investments	144.11	1,207.58	144.11	1,448.28

* During the year, 992,666 (NIL) number of Bonus shares have been received.

		As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
15. Long-term Loans and Advances:			
Unsecured			
Capital Advances			
Considered Good	35.37		51.74
Considered Doubtful	0.62		NIL
Less : Provision for Doubtful Advances	0.62		NIL
		35.37	51.74
Security Deposits			
Considered Good	131.52		107.29
Considered Doubtful	4.64		4.64
Less : Provision for Doubtful Deposits	4.64		4.64
		131.52	107.29
Other Loans and advances			
Advances recoverable in cash or in kind for value to be received			
Considered Good	335.45		290.68
Taxes Paid	1,429.41		635.83
Less : Provision for Taxes	1,120.41		382.31
	309.00		253.52
		644.45	544.20
		811.34	703.23

		As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
16. Other Non-current Assets:			
Inventories (Refer Note 16.1)		153.20	435.43
Trade Receivables			
Considered Doubtful			
- Outstanding for a period exceeding six months from the date they are due for payment	160.13		159.44
Less : Provision for Doubtful Debts	160.13		159.44
Cash and Bank Balances		NIL	NIL
Other Bank Balances			
- On Fixed Deposit Accounts			
With maturity beyond 12 months from Balance Sheet date (Held as margin money)		9.24	9.00
Other loans and advances			
Advances recoverable in cash or in kind for value to be received			
Unsecured Considered Good		171.56	432.35
Advance to Suppliers			
Considered Doubtful	12.51		15.22
Less : Provision for Doubtful Advances	12.51		15.22
		NIL	NIL
		334.00	876.78

16.1 Catalysts not expected to be used within a period of 12 months from the date of the Balance Sheet are considered Non-current.

17. Inventories:

Raw Materials	600.26	808.00
(Includes in transit ₹ 14.69 lakhs, previous year ₹ NIL)		
Packing Materials	104.53	63.22
Work in Progress	928.23	1,200.68
Finished Goods	2,106.81	2,067.02
(Includes in transit ₹ 28.81 lakhs, previous year ₹ 53.64 lakhs)		
Stores and Spares	352.84	286.68
Other Utilities, Catalyst, etc.	880.15	770.60
	4,972.82	5,196.20

		As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
17.1 Details of Inventories:			
a. Work-in-Progress			
Amines and Amines Derivatives		840.92	1,169.79
Other Speciality Chemicals		85.59	28.87
Industrial Gases		1.72	2.02
		928.23	1,200.68
b. Finished Goods			
Amines and Amines Derivatives		1,934.48	1,988.08
Other Speciality Chemicals		172.33	78.51
Industrial Gases		NIL	0.43
		2,106.81	2,067.02
18. Trade Receivables:			
Unsecured, Considered Good			
Outstanding for a period exceeding six months from the date they are due for payment	NIL		29.81
Others	6,056.43		4,703.06
		6,056.43	4,732.87
		6,056.43	4,732.87
19. Cash and Bank Balances:			
Cash and cash equivalents			
Cash on hand	1.11		2.06
Balances with Banks			
- On Current Accounts	484.51		106.84
- On Unpaid Dividend Accounts	20.21		16.96
		505.83	125.86
Other Bank Balances			
- On Fixed Deposit Accounts			
With maturity within 12 months from Balance Sheet date		610.66	12.44
		1,116.49	138.30

	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
20. Short-term Loans and Advances:		
Unsecured, Considered Good		
Security Deposits	14.03	19.00
Loans and Advances to Related Parties (Refer Note 39)	31.15	24.08
Other Loans and Advances		
Advances recoverable in cash or in kind for value to be received	150.51	175.27
Advances to Suppliers	540.02	252.39
Balances with Excise and Service Tax Authorities	286.99	465.09
	977.52	892.75
	1,022.70	935.83
21. Other Current Assets:		
Interest Receivable on Bank/Security Deposits	37.71	2.26
Deferred Premium on Forward Contracts	19.51	23.67
Taxes paid	0.30	0.30
MAT Credit Available	3.48	1.90
	61.00	28.13

		For the year ended March 31, 2012	For the year ended March 31, 2011
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
22. Revenue From Operations:			
Sale of Products - Manufactured Goods		30,202.93	24,879.04
Other Operating Revenues			
Scrap and Raw Material Sales	50.95		83.92
Tolling Charges	454.01		258.14
Export Incentives	119.75		55.37
Miscellaneous Income	24.96		4.16
		649.67	401.59
		30,852.60	25,280.63
Less : Excise Duty on Sales		2,051.63	1,695.09
		28,800.97	23,585.54
22.1 Details of Sale of Products:			
Amines and Amines Derivatives		29,241.56	23,925.96
Speciality Chemicals		598.13	737.92
Industrial Gases		363.24	215.16
		30,202.93	24,879.04
23. Other Income:			
Interest on Deposits		76.21	30.63
Dividend on Long-term Investments		89.34	69.49
Insurance Claims		5.24	3.99
Amounts/Excess Provision written back		53.55	75.02
Miscellaneous Income		10.05	4.85
		234.39	183.98
24. Cost of Materials Consumed:			
Raw Materials			
Opening Stock	808.00		1,422.81
Add: Purchases	14,179.93		11,567.00
	14,987.93		12,989.81
Less: Closing Stock	600.26		808.00
		14,387.67	12,181.81
Packing Materials			
Opening Stock	63.22		48.47
Add: Purchases	1,067.60		903.65
	1,130.82		952.12
Less: Closing Stock	104.53		63.22
		1,026.29	888.90
		15,413.96	13,070.71

		For the year ended March 31, 2012 ₹ in Lakhs	For the year ended March 31, 2011 ₹ in Lakhs
24.1 Details of Raw Materials Consumed:			
Alcohols		10,057.34	8478.32
Industrial Gases		1,813.61	1128.36
Others		2,516.72	2575.13
		<u>14,387.67</u>	<u>12181.81</u>
25. Changes in Inventories of Finished Goods and Work-In-Progress:			
Finished Goods			
Closing Stock	2,106.81		2,067.02
Less : Opening Stock	<u>2,067.02</u>		<u>1,517.25</u>
		(39.79)	(549.77)
Excise Duty Provision on Finished Goods			
Closing Stock	196.54		192.82
Less : Opening Stock	<u>192.82</u>		<u>(142.67)</u>
		3.72	50.15
Work-in-Progress			
Closing Stock	928.23		1,200.68
Less : Opening Stock	<u>1,200.68</u>		<u>946.22</u>
		272.45	(254.46)
		<u>236.38</u>	<u>(754.08)</u>
Work-in-Progress			
Amines and Amines Derivatives		840.92	1,169.79
Other Speciality Chemicals		85.59	28.87
Industrial Gases		<u>1.72</u>	<u>2.02</u>
		<u>928.23</u>	<u>1,200.68</u>
26. Employee Benefits Expense:			
Salaries and wages			
Directors' Remuneration		249.33	150.27
Salaries, Wages and Benefits		1,028.39	767.70
Contribution to Provident Fund and Other Funds		164.26	122.36
Staff Welfare Expenses		<u>167.69</u>	<u>162.94</u>
		<u>1,609.67</u>	<u>1,203.27</u>

		For the year ended March 31, 2012 ₹ in Lakhs	For the year ended March 31, 2011 ₹ in Lakhs
27. Finance Costs:			
Interest Expense			
On Cash Credit Facilities/Buyers' Credit	285.08		274.27
On Term Loans	264.99		294.98
On Others	451.41		341.24
		1,001.48	910.49
Other Borrowing Costs			
Bank Charges		64.14	95.47
Other Finance Charges		37.17	26.32
		1,102.79	1,032.28
28. Other Expenses:			
Stores and Spares Consumed		705.69	811.85
Power and Fuel		3,620.15	3,767.33
Rent		17.18	15.58
Repairs and Maintenance :			
Building	51.92		44.07
Plant and Machinery	250.89		327.22
Others	131.50		84.23
		434.31	455.52
Insurance		53.37	40.92
Rates and Taxes		9.84	18.59
Auditors' Remuneration			
Audit Fees	10.10		8.91
Tax Audit Fees	2.40		2.15
Taxation Matters	0.60		0.48
Certification Work	2.62		1.80
		15.72	13.34
Foreign Exchange Loss (Net)		416.09	6.91
Processing Charges		550.71	440.85
Export Expenses		372.45	410.41
Diminution in Carbon Emission Reduction (Refer Note 28.2)		288.95	NIL
Miscellaneous Expenses		896.77	902.39
(Income)/Expenses for prior period (Net) (Refer Note 28.1)		2.09	59.32
		7,383.32	6,943.01

	For the year ended March 31, 2012 ₹ in Lakhs	For the year ended March 31, 2011 ₹ in Lakhs
28.1 Details of (Income)/Expenses for prior period:		
Income		
Revenue from Operations		
Sale of Products - Manufactured Goods	(2.58)	(44.07)
Other Income		
Interest and Miscellaneous Income	0.82	(0.96)
Total	(1.76)	(45.03)
Expenses		
Cost of Materials consumed	NIL	0.27
Employee Cost		
Salaries, Wages, Benefits and Staff Welfare Expenses	(0.92)	1.59
Finance Cost		
Other Borrowing Costs	0.06	NIL
Other Expenses		
Power & Fuel	(1.39)	Nil
Rent	0.02	0.07
Repairs Building and Others	(0.83)	0.08
Rates and Taxes	NIL	6.00
Auditors' Remuneration		
-Taxation Matters	NIL	0.33
Foreign Exchange (Gain)/Loss (Net)	NIL	(0.52)
Export Expenses	2.73	0.89
Miscellaneous Expenses	0.66	4.51
Total	0.33	14.29
(Income)/Expenses for prior period (Net)	2.09	59.32

28.2 From the financial year 2009-10, the Company decided not to recognise Carbon Credits based on mere generation and recognise only when it is certified. Accordingly, the Carbon Credit which was already recognised upto March 31, 2009, on the basis of credits generated, though not certified, continues to be reflected after giving effect due to its realisable value of ₹ 264.06 lakhs (₹ 16.31 lakhs), included as Non-current asset at ₹ 128.90 lakhs (₹ 392.95 lakhs). Accordingly, the amount of ₹ 288.95 Lakhs (NIL) is charged for the year as Diminution in Carbon Emission Reduction.

	For the year ended March 31, 2012 ₹ in Lakhs	For the year ended March 31, 2011 ₹ in Lakhs
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28.3 Following expenses incurred during the year on development of new processes for products are transferred to Intangible Assets under Development:

Nature of expenses	₹ In Lakhs	₹ In Lakhs
Cost of Materials consumed		
Raw Materials	2.34	0.19
Packing Materials	0.07	0.12
Employee Benefits Expense		
Salaries, Wages and Benefits	53.14	37.62
Other Expenses		
Stores and Spares consumed	4.29	3.74
Power and Fuel	6.14	7.32
Repairs and Maintenance :		
Plant and Machinery	0.74	0.56
Others	1.99	2.64
Miscellaneous Expenses	6.36	4.48
Total	75.07	56.67

28.4 Expenses incurred on Research and Development during the year are included in the Statement of Profit and Loss as under:

Nature of expenses	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
Cost of Material Consumed	0.04			NIL
Employees Benefit Expenses (In Note 24)				
Salaries and Wages	76.01		84.70	
Contribution to Provident and Other Funds	14.55			
Staff Welfare Expenses	7.69		7.18	
		98.25		91.88
Depreciation	19.48			15.30
Other Expenses (In Note 26)				
Stores and Spares Consumed	0.06			
Rent	9.60		9.60	
Repairs and Maintenance:				
Building	0.07		4.51	
Plant & Machinery	0.53			
Others	0.59		0.95	
Insurance	0.31			
Miscellaneous Expenses	79.19		80.06	
		90.35		95.12
Total		208.12		202.30

29. Contingent Liabilities and Commitments:

		As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
29.1	Contingent Liabilities : (to the extent not provided for)		
	Matters under disputes/appeals :		
	i. Claims against the Company by Ex-employees in Labour Court not acknowledged as debts	53.43	46.14
	ii. Income Tax	145.58	85.96
	iii. Inter State Sales Tax against "C" Form	372.97	378.04
	iv. Sales Tax	0.15	0.00
	v. Service Tax	41.41	39.00
	vi. By its order dated February 18, 2002, the Hon'ble High Court, Mumbai, has directed that no transport fee on denatured ethyl alcohol, one of the raw materials of the Company, shall be recovered from the Company by the State Excise Authorities until the final disposal of the petition. The petition is pending disposal by the High Court and the amount estimated on this account is ₹ 471.47 Lakhs (Previous Year ₹ 412.00 Lakhs).		
29.2	Commitments :		
	a. Estimated amount of contracts remaining to be executed on capital account	91.71	126.53
	Less : Advances	35.98	51.74
	Net Estimated Amount	55.73	74.79
	b. Other Commitments	NIL	NIL

30. Fixed Assets:

30.1 On reconciliation of physical verification of Fixed Assets with the records of the Company, discrepancies were noticed as to the existence, as also on account of reclassification and the same were given effect during the financial year 2010-11. As a result, Fixed Assets amounting to ₹ 42.00 lakhs were written off and Fixed Assets with the Gross Block of ₹ 667.72 lakhs as at April 1, 2010 (with the corresponding accumulated depreciation of ₹ 190.10 lakhs thereon upto March 31, 2010) were reclassified and reflected as such under respective Fixed Assets. Due to this reclassification, excess depreciation charged in earlier years of ₹ 7.98 lakhs was considered while arriving at Depreciation for the said financial year, 2010-11.

30.2 In terms of Accounting Standard 11 on "The Effects of Changes in Foreign Exchange Rates" (AS - 11), with effect from April 1, 2007, exchange differences arising on settlement or restatement of foreign currency denominated Liabilities relating to the acquisition of Fixed Assets were recognized in the Statement of Profit and Loss. However, during the year, on the basis of option available to the Company, the Company has decided to add or deduct exchange differences arising on Long-term Foreign Currency Monetary items at rates different from those at which they were initially recorded so far as they relate to the acquisition of a depreciable capital asset. Accordingly, the Company has capitalised exchange difference of ₹ 108.06 Lakhs to its machinery and machinery under installation i.e., Capital Work-in-Progress. As legally advised, the Company has considered the entire amount of exchange differences for the purpose of capitalisation without bifurcating the same between borrowing costs in terms of Accounting Standard 16 on "Borrowing

Costs” and exchange differences in terms of Accounting Standard 11. Had the Company not capitalised the exchange differences on Long-term Foreign Currency Monetary item, depreciation and profit for the year would have been lower by ₹ 8.08 Lakhs and ₹ 99.98 Lakhs respectively, and the Net Block and the carried forward surplus as on March 31, 2012 would have been lower by ₹ 99.98 Lakhs.

31. The associate of the Company had created Revaluation Reserve consequent to Revaluation of Land and Buildings in the year 1996-97, against same Revaluation Reserve in earlier years, accumulated losses were adjusted. Subsequent thereto, in absence of any balance in the Revaluation Reserve, every year additional depreciation on the increased amount due to revaluation was charged to the Statement of Profit and Loss.

In terms of the Guidance Note on Treatment of Reserve created on Revaluation of Fixed Assets issued by The Institute of Chartered Accountants of India, accumulated losses and depreciation (including arrears of depreciation) cannot be set off against the Revaluation Reserve. Therefore, to be in-line with the Guidance Note, the Associate Company has decided to restore its Revaluation Reserve (as set off in earlier years) and accordingly as from April 01, 2010 after considering the effect of additional depreciation (had the same been adjusted against Revaluation Reserve) as also the amount that should not have been in the Revaluation Reserve in respect of the retirement or disposal of assets, the net amount of ₹ 336.47 lakhs is restored as Revaluation Reserve by correspondingly transferring the equivalent amount from the General Reserve. To the extent of the share of the Company in the said Revaluation Reserve of the Associate is accordingly shown under Note 4.

32. Foreign Currency Translation Reserve is created in respect of non-integral subsidiary of the Company.
33. Opening adjustments are arising out of certain effects relating to previous years in the carrying amount of Investments in the Associate with the corresponding effect in General Reserve and carried forward balance in the Statement of Profit and Loss.
34. The Company has called for balance confirmations from Trade Receivables and Trade Payables. It has received a few of the confirmations which have been reconciled with the records of the Company. The other balances have been taken as per the records of the Company.
35. The shares of the associate were acquired on March 14, 2001. The value of investment in the associate is valued at ₹ 1045.03 Lakhs (₹ 1034.96 Lakhs) as per AS – 23.
36. Capital Reserves include grant received by the subsidiary company from the erstwhile Co- promoter as per agreement dated June 17, 2003 to meet its obligations.
37. The Group has adopted Accounting Standard 15 (AS-15) on “Employee Benefits”. These CFS include the obligations as per the requirement of the Standard. Since subsidiary companies do not have any employee, Disclosures as per AS-15 for the Group is the same as that of the Company.
38. **Segment Reporting:**

In accordance with Accounting Standard - 17, the Company’s activities fall into the category of Specialty Chemicals and hence, the Company has only one reportable segment.

39. Related Party Disclosures:

39.1 Following transactions were carried out in the ordinary course of business with the parties referred to in 39.2 below:

(₹ In Lakhs)

Particulars	Key Managerial Personnel and their relatives	Entities over which Key Managerial Personnel has control	Enterprise over which relatives of Key Managerial Personnel has Control
	[with 39.2 (I and II) below]	[with 39.2 (III) below]	[with 39.2 (IV) below]
Unsecured Loans :			
Loan from Directors - Received			
Yogesh Kothari	1375 (1575.00)		
Others	139.00 (145.00)		
Loan from Directors – Repaid			
Yogesh Kothari	1965.00 (1350.00)		
Suneet Kothari	213.00 (61.00)		
Deposit – Inter Corporate -Received			
SYK Trading & Consultancy Private Ltd.		NIL (25.00)	
Inter Corporate Deposits – Repaid			
YMK Trading & Consultancy Private Limited		NIL (44.50)	
Interest – Paid			
YMK Trading & Consultancy Private Limited		20.18 (22.37)	
Others		7.01 (2.57)	
Kamiko Investment & Trading Private Limited			9.75 (8.94)
DSP HMK Holdings Private Limited			14.73 (13.91)
ADIKO Investment Private Limited			14.73 (13.91)
Yogesh Kothari	276.02 (183.36)		
Others	7.54 (9.73)		
Remuneration to key Managerial Personnel:			
1. Yogesh Kothari	133.12 (76.95)		
2. Kirat Patel	63.95 (41.64)		
3. Suneet Kothari	56.50 (35.31)		
4. Hemendra Kothari			

Particulars	Key Managerial Personnel and their relatives	Entities over which Key Managerial Personnel has control	Enterprise over which relatives of Key Managerial Personnel has Control
	[with 39.2 (I and II) below]	[with 39.2 (III) below]	[with 39.2 (IV) below]
Sitting Fees	0.60 (0.60)		
Commission	26.62 (1.96)		
Outstanding Balance As At March 31, 2012			
Loans From Directors			
Yogesh Kothari	807.94 (1390.00)		
Others	30.00 (104.00)		
Deposit – Inter Corporate			
YMK Trading & Consultancy Private Limited		175.00 (175.00)	
Others		55.00 (50.01)	
Kamiko Investment & Trading Private Limited			85.00 (80.00)
DSP HMK Holdings Private Limited			125.00 (125.00)
ADIKO Investment Private Limited			125.00 (125.00)

Figures in the bracket are for previous year.

39.2 Relationships:

- I. Key Managerial Personnel:
 - i. Yogesh M. Kothari
 - ii. Kirat Patel
 - iii. Suneet Y. Kothari
- II. Relative of Key Managerial Personnel:

Hemendra M. Kothari
- III. Entities on which Key Managerial Personnel has Control:
 - i. Niyoko Trading & Consultancy Private Limited
 - ii. YMK Trading & Consultancy Private Limited
 - iii. Anjyko Investments Private Limited
 - iv. SYK Trading & Consultancy Private Limited
- IV. Entities on which relatives of Key Managerial Personnel has control:
 - i. Kamiko Investment & Trading Private Limited
 - ii. DSP HMK Holdings Private Limited
 - iii. ADIKO Investment Private Limited

40. Disclosure on Leases as per Accounting Standard - 19 on "Accounting for Leases":
40.1 Where the Company is a Lessee:

- i. The Company has taken residential, office and godown premises under operating lease or leave and licence agreements. These are generally cancellable and range between 11 months and five years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms.
- ii. Lease/Rent payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 28.
- iii. Future minimum lease rental payable is as under:

Particulars	As At March 31, 2012 ₹ in Lakhs	As At March 31, 2011 ₹ in Lakhs
Within 1 year	3.20	9.60
After 1 year but before 5 years	NIL	3.20
After 5 years	NIL	NIL

- iv. Land taken on lease have been amortised over the respective lease period and ₹ 3.88 lakhs (Previous Year ₹ 3.95 lakhs) has been amortised during the year.

41. Earnings per Share as per Accounting Standard 20:

Particulars	For the Year ended March 31, 2012 ₹ in Lakhs	For the Year ended March 31, 2011 ₹ in Lakhs
Numerator for Basic and diluted earnings per Share		
Net Profit/ (Loss) after tax for the year before Preference Dividend	1759.49	1395.58
Less :Preference Dividend and Tax thereon	NIL	NIL
Net Profit/ (Loss) after tax for the year (a)	1759.49	1395.58
Denominator for Basic and Diluted Earnings per Share		
Weighted average number of Shares (b)	1,01,98,196	1,01,98,196
Basic and Diluted Earnings per Share [(a) / (b)]	₹ 17.25	₹ 13.68
Face value per Share	₹ 10	₹ 10

42. Disclosure in accordance with Accounting Standard (AS 29) Provisions, Contingent Liabilities and Contingent Assets:

Particulars	As At April 1, 2011 ₹ in Lakhs	Additions during the year ₹ in Lakhs	Amount paid/reversed during the year ₹ in Lakhs	As At March 31, 2012 ₹ in Lakhs
Leave Encashment	71.81 (66.27)	23.70 (15.59)	9.99 (10.05)	85.52 (71.81)
Gratuity	188.75 (158.62)	65.55 (45.13)	45.00 (15.00)	209.30 (188.75)
Proposed Dividend	305.95 (305.95)	407.93 (305.95)	305.95 (305.95)	407.93 (305.95)
Tax on Proposed Dividend	50.81 (51.99)	66.18 (52.00)	50.81 (51.99)	66.18 (50.81)

43. Consumption of Imported / Indigenous Materials:

Particulars	For the Year ended March 31, 2012		For the Year ended March 31, 2011	
	Percentage	Value ₹ in Lakhs	Percentage	Value ₹ in Lakhs
Raw Materials				
Imported	17.34%	2,495.00	19.92%	2,426.70
Indigenous	82.66%	11,892.01	80.08%	9,754.81
TOTAL		14,387.01		12,181.51
Stores and Spares				
Imported	20.64%	163.25	3.34%	26.33
Indigenous	79.36%	627.57	96.66%	761.47
TOTAL		790.82		787.80

44. Financial and Other Derivative Instruments:

44.1 Derivative contracts entered into by the Company are for hedging foreign currency risks; the following contracts have remained outstanding:

Particulars		Balance As At March 31, 2012		Balance As At March 31, 2011	
		In Foreign Currency	₹ in Lakhs	In Foreign Currency	₹ in Lakhs
Forward Contracts for					
Export Trade Receivables	US \$	15,72,000	799.05	1,00,000	4.74
	Euro	1,35,000	91.29	NIL	NIL
Import Trade Payables	US \$	8,97,000	463.12	2,98,920	137.62
	Euro	NIL	NIL	42,000	27.02
FCNR (B) Loan	US \$	29,50,000	1,523.09	22,50,000	1,043.33
Buyer's Credits	US\$	12,13,998.39	626.79	5,39,080	251.32
	Euro	NIL	NIL	2,20,000	141.14

44.2 Foreign Currency exposure that are not hedged by the derivative instruments:

Particulars		Balance As At March 31, 2012		Balance As At March 31, 2011	
		In Foreign Currency	₹ in Lakhs	In Foreign Currency	₹ in Lakhs
Export Trade Receivables	US \$	2,63,598.09	133.99	17,72,469.58	784.21
	Euro	6,28,122.88	424.74	3,65,721.55	228.66
Import Trade Payables	US\$	NIL	NIL	2,70,976.32	121.43
	Euro	NIL	NIL	2,441.40	1.55
Interest on FCNR(B) Loan Payable	US \$	21,584.00	11.14	11,551.00	5.18
Interest on ECB payable	US \$	623.00	0.32	NIL	NIL
Buyers' Credits	US \$	15,469.91	7.99	2,52,505.55	113.15
	Euro	NIL	NIL	59,390.00	37.82

All outstanding derivatives are marked to market on the balance sheet date and accordingly, mark to market profit of ₹ 16.52 Lakhs (Previous Year profit of ₹ 46.81 Lakhs) has been recognized.

As per our Report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No.100991W

PARESH H. CLERK

Partner, Membership No. 36148

Place : Mumbai

Dated : May 22, 2012

For and on behalf of the Board of Directors

YOGESH M. KOTHARI

Chairman and Managing Director

K. P. RAJAGOPALAN

General Manager (Secretarial and Legal)

KIRAT PATEL

Executive Director

Place : Mumbai

Dated : May 22, 2012

To,

Sharex Dynamic (India) Pvt. Limited

Unit No. 1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai - 400 072

FORM FOR ECS MANDATE / BANK MANDATE

(Not to be filled by Shareholders holding shares in dematerialised form)

I / We,.....do hereby authorise Alkyl Amines Chemicals Limited to -

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service (ECS) - ECS Mandate*
- Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me - Bank Mandate*

(* Strike out whichever is not applicable)

Folio No.....

A.	Bank Name										
B.	Branch										
C.	Bank Address										
D.	Bank Account Number										
E.	Account Type (Savings / Current)										
F.	9 Digit Code number of the bank & branch as appearing on the MICR cheque (for ECS Mandate only) Please attach photocopy of the cheque	<table><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>									
G.	STD code & telephone number of shareholder (optional)										

I / We shall not hold the Company responsible if the ECS mandate could not be implemented for reasons beyond the control of the Company.

Signature of shareholder(s)
(as per specimen lodged with the Company)

[illegible]



ALKYL AMINES CHEMICALS LIMITED

Registered office : 401-407 Nirman Vyapar Kendra, Plot No. 10, Sector 17, DBC Vashi, Navi Mumbai-400 703

May 22, 2012

Dear Shareholder,

Sub: Green initiative in Corporate Governance – Electronic Mode of service of documents

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars on April 21, 2011 and April 29, 2011 inter-alia stating that a company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been made through electronic mode. In that case, the company is required to obtain email addresses of its members for sending the notice / documents through email by giving an advance opportunity to every shareholder to register his email address and changes therein, if any, from time to time with the company.

This move by MCA is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit.

Keeping in view the theme underlying the circular issued by MCA, we propose to send documents like notice calling the annual general meeting, audited financial statements, directors' report, auditors' report etc. and other communication, in electronic form, to email addresses of those members which are available in the records of the Company.

In order to enable the company to send the documents to you in electronic mode, we would request you to please inform us your email id to the address legal@alkylamines.com or sharexindia@vsnl.com

Please note that you will be entitled to be furnished, free of cost, with a copy of the balance sheet of the Company and all other documents required by law to be attached thereto including the profit and loss account and auditors' report and all other communication that may be sent to you electronically, upon receipt of a requisition from you, as a member of the Company.

We are sure that as a responsible citizen, you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives and will whole-heartedly support the same.

For **ALKYL AMINES CHEMICALS LIMITED**

K.P. RAJAGOPALAN

General Manager (Secretarial and Legal)

[illegible]

ATTENDANCE SLIP**ALKYL AMINES CHEMICALS LIMITED**

Registered office : 401-407 Nirman Vyapar Kendra, Plot No. 10, Sector 17, DBC Vashi, Navi Mumbai-400 703

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL

I/we hereby record my/our presence at the 32nd Annual General Meeting held at Chandragupta Hall, 2nd Floor, Abbott Hotel, Sector 2, Vashi, Navi Mumbai - 400 703, at 2.30 p.m. on Tuesday, the 7th August, 2012.

DP ID No. * :	L. F. No. :
Client ID No.* :	No. of shares held :
Name and address of the Shareholder(s)	
If Shareholder(s), Please sign here	If Proxy, Please sign here

FORM OF PROXY**ALKYL AMINES CHEMICALS LIMITED**

Registered office : 401-407 Nirman Vyapar Kendra, Plot No. 10, Sector 17, DBC Vashi, Navi Mumbai-400 703

DP ID No. * :	L. F. No. :
Client ID No.* :	No. of shares held :

I/We of
 being a Member / Members of the above named Company hereby appoint
 of or failing him/her
 of as my/our proxy/proxies to vote for me/us on my/our
 behalf at the 32nd Annual General Meeting of the Company to be held on Tuesday, the 7th August, 2012 at
 2.30 p.m. and at any adjournment thereof.

Signed this.....day of..... 2012.

Signature.....

Affix a
1 rupee
Revenue
Stamp

Notes :

1. The form should be signed across the stamp as per specimen signature (s) registered with the Company.
2. The Proxy Form must be deposited at the Registered office of the company not less than 48 (Forty-Eight) hours before the time fixed for holding the Meeting.
3. A proxy need not be a Member.

* Applicable for Investors holding shares in electronic form.

BOOK - POST

If undelivered please return to:



Alkyl Amines Chemicals Limited

401-407, Nirman Vyapar Kendra, Sector 17,
Vashi, Navi Mumbai 400 703.

Phone : 6794 6618

Website : www.alkylamines.com