



Alkyl Amines Chemicals Limited

**ANNUAL REPORT 10-11**

**FINANCIAL HIGHLIGHTS OF THE LAST DECADE**

	Rs. in Lakhs									
Year Ending	31.03.2002	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
Total Income (Gross)	9,409.51	10,477.38	10,515.21	11,599.21	12,954.62	15,160.28	18,003.79	21,813.25	23,739.97	26,058.24
Profit before interest, depreciation & taxation	1,794.45	1,857.92	1,609.10	1,463.30	1,635.38	2,491.26	2,781.12	2,690.41	3,646.52	3,350.81
Profit before Tax	278.46	567.39	430.09	347.37	602.95	1,123.66	1,362.37	822.79	1,589.86	1,417.07
Profit After Tax	164.24	351.21	238.77	261.02	416.92	865.97	956.23	402.20	1,003.68	1,040.49
Gross Fixed Assets	10,071.83	10,282.49	10,891.91	11,933.98	12,849.49	13,518.07	15,495.42	17,787.74	18,846.29	20,396.19
Net Fixed Assets	7,130.40	6,893.58	7,024.24	7,577.57	8,008.13	8,069.14	9,419.20	11,005.58	11,202.16	12,171.90
Net Current Assets	3,682.48	4,034.19	3,898.01	3,090.71	5,503.74	6,949.13	7,576.35	10,234.62	8,605.62	8,821.52
Equity Share Capital	886.49	886.49	886.49	886.49	886.49	886.49	886.49	886.49	1,020.61	1,020.61
Reserve & Surplus (Incl. Deferred Taxation (Net))	3,230.87	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
Book Value	46.45	51.22	54.01	55.59	59.78	69.03	76.82	79.85	85.15	90.41
Earning per Share - Basic	1.85	3.96	2.69	2.94	4.70	9.58	10.00	3.94	9.84	10.20
Equity Dividend (%)	-	12.00	12.00	15.00	18.00	22.00	25.00	20.00	30.00	30.00
<b>Financial Ratios</b>										
Net Sales to Gross Fixed Assets (%)	82.01	89.24	83.68	83.42	86.10	95.34	100.70	109.53	113.44	113.67
Return on Capital Employed (%)	14.31	15.15	14.06	11.79	13.87	20.45	22.99	18.86	25.05	17.32
Return on Net worth (%)	3.99	7.74	4.99	5.30	7.87	12.16	12.24	4.94	11.56	11.28
PAT to Net Sales (%)	1.99	3.83	2.62	2.62	3.77	6.72	6.13	2.06	4.69	4.49

**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 Bhongle**

*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)**

**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, MIDC Kurkumbh Industrial Area,  
Tal. Daund, Dist. Pune - 413802, Maharashtra

**Auditors**

Messrs Bansi S. Mehta & Co.

**Bankers**

State Bank of India  
Bank of Baroda  
Axis Bank Ltd.  
Standard Chartered Bank

**Registrar & Transfer Agents**

**Sharex Dynamic (India) Pvt. Ltd.**

Unit No. 1, Luthra Ind. Premises, 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 31st 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 Thursday, August 4, 2011 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, 2011, Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
  2. To sanction declaration of dividend.
  3. To appoint a Director in place of Mr. Premal N. Kapadia, who retires by rotation and being eligible offers himself for reappointment.
  4. To appoint a Director in place of Ms. Tarjani Vakil, who retires by rotation and being eligible offers herself for reappointment.
  5. To appoint a Director in place of Mr. Shobhan M. Thakore, 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.
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 28, 2011 to August 4, 2011 (both days inclusive) for the purpose of Annual General Meeting and Dividend.
  4. Dividend, if declared at the meeting, will be paid on or after 11th August, 2011 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 27, 2011.
  5. Please note that pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividends upto July 2003 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 27, 2011. 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.

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 31, 2011

**NOTES**

1. The relevant Explanatory Statement under Corporate Governance relating to the Business to be transacted at the meeting is annexed hereto.

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 31, 2011

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT UNDER CORPORATE GOVERNANCE

#### ITEM 3

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

Mr. Kapadia aged 62 years, has been on the Board of the Company since July 28, 2000. He is a Member of our Audit Committee of Directors. He is Chairman Emeritus of Technimont ICB Private Limited. He is also on the Board of the following Companies/interested in the following Concerns:

1. Harshadray Private Limited.
2. Farm Chemicals Private Limited
3. Dryden Private Limited
4. TUV India Private Limited
5. Harshadray Investment Private Limited
6. De Nora India Limited
7. The West Coast Paper Mills Limited
8. Kaira Can Company Limited
9. Silicon Interfaces Private Limited
10. Silicon Interfaces America Inc.

11. Protos Engineering Company Private Limited
12. Sortimat Technology Private Limited
13. ThyssenKrupp Industries India Private Limited
14. FirsteService (India) Private Limited
15. Integrated Industrial Quality Management Consultants Private Limited
16. Jain International Trade Organization
17. Sujata Enterprises
18. Rata Iron Ore and Minerals Exports Private Limited
19. Sujata Resources Private Limited
20. Puma Properties Limited
21. Virman Real Estate Private Limited
22. Virneesh Properties Developers Private Limited

He is also Chairman of Share Transfer Committee of Kaira Can Company limited and Member of Audit Committees of The West Coast Paper Mills Limited and Member of Remuneration Committee of De Nora India Limited.

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

#### ITEM 4

Ms. Tarjani Vakil retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered herself for reappointment.

Ms. Tarjani Vakil, aged 74 years, is ex-Chairman of Export-Import Bank of India. She is also on the Board of the following Companies:

1. Asian Paints Limited
2. Mahindra Intertrade Limited
3. DSP Black Rock Trustee Company private Limited
4. Aditya Birla Nuvo Limited
5. Idea Cellular Limited
6. Aditya Birla Trustee Company Private Limited
7. Birla Sun Life Insurance Company Limited

She is also Chairperson of Audit Committees of Asian Paints Limited, Aditya Birla Nuvo Limited and Mahindra Intertrade Limited and also Member of Audit Committees of Birla Sun Life Insurance Company Limited, Idea Cellular Limited and DSP Black Rock Trustee Company Private Limited and Member of Remuneration Committee of Asian Paints Limited and Member of Finance Committee of Birla Sun Life Insurance Company Limited

With her vast experience in international finance, it will be in the interest of the Company that Ms. Vakil continues as Director of the Company. Except Ms. Vakil, no other Director is interested in her reappointment.

**ITEM 5**

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

Mr. S. M. Thakore, aged 63 years, has been on our Board since April 19, 1988. He is Chairman of our Investors Grievances Committee and a Member of Finance Committee, Remuneration Committee and Audit Committee. Mr. Shobhan Thakore is on the Board of the following Companies.

1. Bharat Forge Limited
2. Carborundum Universal Limited
3. DSP Black Rock Investment Managers (Mauritius) Limited
4. Morarjee Textiles Limited
5. Uni Deritend Limited
6. Uni Klinger Limited

He is also Member of Audit Committees of Bharat Forge Ltd. and Morarjee Textiles Ltd. and Chairman and Member of Investor Grievance Committee of Morarjee Textiles Ltd and Member of Advisory Board of DSP Blackrock Investment Managers Limited.

Mr. S. M. Thakore is a well-known Solicitor and is a Partner of Talwar Thakore & associates, a leading Solicitor Firm. In view of his vast experience in the industry and profession, it will be in the interest of the Company that Mr. Thakore continues as Director of the Company. Mr. Thakore holds 5,540 equity shares in this Company. Except Mr. Thakore, no other Director is interested in his reappointment.

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 31, 2011

**DIRECTORS' REPORT TO THE MEMBERS**

Dear Shareholders,

Your Directors take pleasure in presenting the 31st Annual Report and Audited Statement of Accounts of the Company for the financial year ended March 31, 2011.

**1. FINANCIAL RESULTS:**

	<b>2010-11 Rs. In Lakhs</b>	2009-10 Rs. In Lakhs
Sales (Gross)	25475	23165
Misc. Sales & Other Income	583	575
Total Income (Gross)	26058	23740
Profit before interest, depreciation & Taxation	3350	3647
Interest & financial expenses	1032	1204
Depreciation	901	853
<b>Profit before tax</b>	<b>1417</b>	<b>1590</b>
Provision for tax	320	483
<b>Net Profit after tax</b>	<b>1097</b>	<b>1107</b>
Previous year adjustments	(56)	(103)
Profit after adjustments	1040	1003
Add: balance profit b/f	2293	1749
Profit available for appropriation	3333	2752
Transfer to General Reserve	105	101
Equity Dividend	306	306
Tax on dividends	50	52
Balance profit carried to balance sheet	2872	2293

**2. DIVIDENDS:**

We recommend for your approval payment of dividend at Rs.3/- per Equity Share on Equity Shares of Rs.10/- each for the year ended March 31, 2011 (Previous Year: Rs.3/- per share). The total amount of dividend including Income tax thereon would amount to Rs.356 lacs (Previous Year Rs.358 lacs).

**3. OPERATIONS:**

Sales of chemicals registered a 9% increase in volume from 21152 MT of the previous year to 23171 MT and sales in value increased by 10% from Rs.23165 lakhs to Rs.25475 lakhs. Profit before tax (after interest and depreciation charges) declined to Rs.1417 lakhs compared to Rs.1590 lakhs of the previous year. During the year 2010-2011 we have achieved profit after tax of Rs.1097 lakhs compared to Rs. 1107 lakhs of the previous year. Margins were adversely affected by increased input costs which could not be passed on to the customers.

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

**4. NEW PROJECTS:**

We have mechanically completed construction of the new plant to produce ALKAN, a chemical, which has applications in pharma and agrochemical sectors. Trial runs are in progress.

**5. EXPORTS:**

We achieved an export turnover of Rs. 4678 lacs (FOB) compared to Rs.4073 lacs (FOB) of the previous year, i.e. an increase of 15%.

**6. FOREIGN EXCHANGE OUTGO:**

During the year we have utilised a sum of approx. Rs.2976.08 lacs (compared to Rs.2006.25 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 gross income of Rs.9120 lacs as against Rs. 5883 lacs of the previous year and a profit after tax of Rs.1470.99 lakhs as against Rs. 935.42 lakhs of the previous year. The Board of Directors has declared a Bonus Issue in the ratio of one equity share for every two equity shares. They have also recommended a final dividend of 45% for the year 2010-11 (making total dividend of 60%) compared to 20% 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, 2011 this company has an accumulated loss of Euro 15283.80 equivalent to Rs. 8.67Lacs.

**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 Rs.6.34 lacs (Previous Year: Rs. 11.81 lacs) and a loss of Rs. 5.68 lacs (Previous Year; Profit of Rs.2.28 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:**

Various measures taken by the company for conservation of energy include:

- De-bottlenecking to enhance plant capacity,
- Planned production at optimum levels,
- Regular monitoring of electricity and fuel consumption and taking corrective steps, wherever required
- Utilisation of by-product steam.
- Heat recovery from process for saving of steam
- Survey for identifying heat losses through pipes and subsequently eliminating those by providing appropriate insulations

In spite of increase in production volumes, we have maintained water consumption for the 2010-11 at the same level as 2009-10. Further efforts are being made to contain water consumption by adopting new technologies.

A carbon footprint study has been taken up for the years 07-08, 08-09 and 09-10. This is to identify the sources of direct and indirect GHG emission and its estimation. The estimation will follow 'World Business Council for Sustainable Development (WBCSD)' guidelines. Proposals are being prepared based on the outcome of the study for reduction in carbon footprint.

Proposal is being prepared for improving the boiler efficiency by utilizing the waste heat from flue gases. This will further reduce the fuel consumption.

#### **9. TECHNOLOGY ABSORPTION/ R & D**

Your Company views its Research and Development activities as an integral component of its growth plans. We have a dedicated 28-person strong R&D team at our R&D Centre in Hadapsar. It offers a combination of both chemistry and process technology capabilities, which help us to regularly launch new products, and also improve cost efficiencies. With the help of our strong research capabilities, we have introduced new products, which have application in multiple industries. The information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure 3 (Form B) attached to this report.

#### **10. SAFETY, HEALTH AND ENVIRONMENT:**

##### **(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 and at Kurkumbh, we have completed successfully the certification audit and are declared as ISO 14001:2004 certified organization, in April 11.

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. The project is approved by Government of India, Ministry of Environment and Forests and is also registered with the Executive Board established under the Kyoto Protocol to the UNFCCC.

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 Pataganga and Kurkumbh.

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.

iv) **Green belt** – Tree plantation is one of the major activities carried out inside and outside the premises. So far we have planted nearly 6500 trees in and around our plant sites.

v) **Non conventional Energy and Natural Resource conservation** – We have at the staff colony the usage of Solar Water heaters, gravitational water supply, Sewage water gardening, Rain water harvesting, and number of GO GREEN activities.

Water audit is carried out tabulating the entire water circuit at Patalganga site. Various measures for reducing water consumption, reusing and recycling water are being implemented.

##### **(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 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.

We carried out an off-site consequence analysis study for Patalganga site and the suggested measures for reducing consequences and improving reliability of safety infrastructure are being implemented.

External safety audit was carried out through an outside agency at our Kurkumbh site and the audit recommendations are being implemented.

Consistent safety performance is maintained at site with active participation from staff and workers. Safety promotional activities such as celebration of national safety week, safety bulletin, and participation in regional safety competition are regularly carried out.

**(c) Health:**

Health of employees is of utmost importance. Periodic check up of all 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 a well equipped Occupation Health Center with appropriate staff and own AMBULANCE Vehicles at both manufacturing sites at Patalganga and Kurkumbh.

We have a team of employees trained as FIRST AIDERS who contribute their skills while on duty as well as away from duties to serve the society. We are working towards obtaining ISO 18000 .

**11. CORPORATE SOCIAL RESPONSIBILITY:**

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 infrastructure required by schools/hospitals in and around rural areas in Kurkumbh and Patalganga
- b) Encouraging deserving students by giving scholarships
- c) 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.
- d) Promoting and sponsoring activities in the areas of Safety, Health and Environment, Education, Sports and Cultural Activities in co-ordination other agencies.
- e) Encouraging research in the country by instituting the "Alkyl Amines Young Scientist Award" through UICT, Mumbai.

During the year 2010-11 we have spent about Rs. 10 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. S.M. Thakore, Mr. P.N. Kapadia and Ms. Tarjani Vakil retire by rotation at the Annual General Meeting and, being eligible, have offered themselves for re-appointment. 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, 2011, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- (b) That such accounting policies as mentioned in Schedule 20 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, 2011 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, 2011 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

**YOGESH M. KOTHARI**

Chairman & Managing Director

**Place:** Mumbai

**Dated:** May 31, 2011

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****ANNEXURE 1****INDUSTRY STRUCTURE AND DEVELOPMENT**

We are a global manufacturer and supplier 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](http://www.alkylamines.com).

**PERFORMANCE**

Total Income amounted to Rs.26058 lacs compared to Rs.23740 lacs of the previous year. Income from contract processing for 2010-11 was Rs. 258 lacs compared to Rs. 211 lacs of the previous year.

Production of specialty chemicals amounted to 36221 M.T. for the year 2010-2011 compared to 29331 M.T. for the year 2009-2010.

**OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

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 cyclicity 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.

We enjoy leadership position in some of the products in domestic market, driven by strong in-house technology, research and development (R&D) capabilities, 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 chemicals industry is growing at a reasonable pace and we have a fair chance of improving our position as a reliable supplier of good quality chemicals. 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.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The operating profit before tax amounted to Rs. 1417 lacs compared to Rs. 1590 lacs reported last year.

During the year, our domestic sales amounted to Rs.20632 lacs compared to Rs.18793 lacs of the previous year. Export sales increased to Rs. 4678 lacs (FOB) compared to Rs. 4073 lacs of the previous year.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

We have adequate internal controls in all spheres of activities. The SAP-ERP system is being 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. In the opinion of the Board, an effective internal control system adequate to the size of the Company exists.

**STRATEGIC PLANS AND ORGANIZATIONAL DEVELOPMENT:**

We are actively working towards setting up global scale manufacturing 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 and 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**

We recognize that human resources form an integral part of our company's strategy for growth and the competence and commitment of our people are the key drivers for growth of our company. Your company had a manpower strength of 355 as on March 31, 2011. There have been excellent relations between the employees at various levels and the management. 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. We have finalised a settlement with the non-management employees at Patalganga which is valid upto June 2013.

Improving competence of employees is an ongoing process. This year we have taken specific steps to ensure this. The employees are given training by attending seminars/ workshops (both in house and outside) to enhance their skills and knowledge. Further we have refocused on quality of entry level employees by identifying better colleges for recruitment of engineers, their academic achievements and their training after joining to ensure bench strength of competent employees.

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**

We are focused 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.

The year 2011-12 looks promising with its own sets of challenges and opportunities for us and it is expected that there will be growth in chemical industry.

The Pharma Sector in India is poised for further growth and it is likely to improve the volume of sales of our company. On the export front also, exports look promising for our basic products as well as for our newly developed intermediates.

Our new product, ALDEGA, the plant for which was commissioned in the last quarter of 2009-10 and which has applications in oil refinery, is well received in the market. We are adding one more new product, ALKAN, which has applications in various pharma and agro sectors. The new plant for ALKAN is mechanically complete and trial runs are in progress. These products will add to our top and bottomline in the coming years.

We are focused on improvement in efficiencies, margins, profitability and sales while re-looking at business strategies and models, wherever necessary. The strategies which we have adopted and are adopting should lead to enhancement in intrinsic value not only to all shareholders, but also to all stakeholders in the Company.

### **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

Place : Mumbai

Dated : May 31, 2011

**YOGESH M. KOTHARI**

Chairman & Managing Director

**ANNEXURE 2**

**FORM A**

**(Disclosure of Particulars with respect to Conservation of Energy)**

Particulars	1.4.2010 to 31.3.2011	1.4.2009 to 31.3.2010
<b>A. Power and Fuel Consumption:</b>		
<b>1. Electricity</b>		
<b>1. a) Purchased</b>		
Units(Kwh In Lakhs)	162	142
Total Amount(Rs In Lakhs)	902	743
Avg.Rate/Unit	5.56	5.25
<b>1. B) Own Generation</b>		
(I) Through Diesel Generator		
Units (Kwh In Lakhs)	5.99	5.15
Units/Ltr Of Diesel Oil(Kwh)	3.61	3.40
Cost/Unit(Rs./Kwh)	11.14	10.34
(II) Through Steam Turbine/Generator		
Units (Kwh In Lakhs)	20.13	6.85
<b>2. Coal</b>		
Qty(MT)	39862	19888
Total Amount(Rs In Lakhs)	1872.13	836.96
Avg.Rate(Rs/MT)	4697	4208
<b>3. Furnace Oil And LSHS</b>		
Qty(MT)	1141	1953
Total Amount(Rs In Lakhs)	305.12	447.88
Avg.Rate(Rs/MT)	26746	22936
<b>4. Bagasse</b>		
Qty(Mt)	25356	29752
Total Amount(Rs In Lakhs)	458.81	881.89
Avg.Rate(Rs/MT)	1809	2964
<b>B. Consumption Per Unit Of Production</b>		
Standards If Any	N.A.	N.A.
<b>Production:</b>		
a) **Amines And Amines Derivatives(MT)	27380	21297
b) Hydrogen(M3)	2277240	2454558
<b>Electricity Consumption/Unit:</b>		
a) Amines And Amines Derivatives(Kwh/MT)	660	688
b) Hydrogen(Kwh/M3)	0.280	0.233
<b>Coal Consumption / Unit:</b>		
Amines And Amine Derivatives(MT/MT)	1.682	1.082
<b>FO/LSHS Consumption / Unit:</b>		
Amines And Amine Derivatives(MT/MT)	0.042	0.092
<b>Bagasse Consumption / Unit:</b>		
Amines And Amine Derivatives(MT/MT)	1.858	3.321

**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 2 new mixed amine derivatives/products to the product range (for commercial/seed marketing).
- 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 : Rs. 70.31 Lakhs
  - Revenue : Rs. 202.30 Lakhs
  - Total : Rs. 272.61 Lakhs
  - Total R & D Expenditure as a percentage of total turnover. : 1.07 %
- 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. } As stated above.
  - 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. } Not applicable

## ANNEXURE 4

**CORPORATE GOVERNANCE REPORT**

1. 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, 2011 is as under:

Name	Designation / Category	No. of other 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)	Three	--	One
Mr. Hemendra M. Kothari	Non-Executive Director (Brother of Mr. Yogesh Kothari)	Two	-	-
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	-	Two
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.

**ii) Attendance record of each Director:**

Four Board Meetings were held during the year 2010-11. These meetings were held on 25.05.2010, 22.07.2010, 28.10.2010 and 31.01.2011. The attendance record of all the Directors at the Board Meetings and the last Annual General Meeting between 01.04.2010 to 31.03.2011 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	Four	No
Mr. Shyam B. Ghia	Four	Three	No
Mr. Shobhan M. Thakore	Four	Two	No
Mr. Dilip G. Piramal	Four	Three	No
Mr. Premal N. Kapadia	Four	Two	No
Mr. K.R.V. Subrahmanian	Four	Four	Yes
Ms. Tarjani Vakil	Four	Three	No
Mr. Kirat Patel	Four	Three	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, 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 5 times during the year 2010-2011 on 25.05.2010, 22.07.2010, 28.10.2010, 10.12.2010 and 31.01.2011. 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	Five	Five
Mr. Shyam B. Ghia	Five	Four
Mr. Premal N. Kapadia	Five	Three
Mr. Shobhan N. Thakore	Five	Three
Mr. Kirat Patel	Five	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 judgements 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 was one meeting held on 05.05.2010 during the year 2010-2011, which was attended by all three Directors.

#### b) Remuneration of Directors:

Remuneration paid/payable to the Directors for the year from 1.4.2010 to 31.3.2011 is given below:

(Rs. in Lakhs)

Name	Remuneration (Rs.)	Sitting Fee (Rs.)	Commission Rs.*	Total (Rs.)
Mr. Yogesh M. Kothari	76.95	Nil	Nil	76.95
Mr. Hemendra M. Kothari	Nil	0.80	1.92	2.72
Mr. Shyam B. Ghia	Nil	1.72	1.92	3.64
Mr. Shobhan M. Thakore	Nil	1.72	1.92	3.64
Mr. Dilip G. Piramal	Nil	0.62	1.92	2.54
Mr. Premal N. Kapadia	Nil	1.00	1.92	2.92
Mr. K.R.V. Subrahmanian	Nil	1.80	1.92	3.72
Ms. Tarjani Vakil	Nil	0.60	1.92	2.52
Ms. Rima Marphatia (Payable to Exim Bank)	Nil	0.80	1.92	2.72
Mr. Kirat Patel	33.04	Nil	8.60	41.64
Mr. Suneet Y. Kothari	26.72	Nil	8.60	35.32

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

\*Commission will be paid during the year 2011-2012.

Each of the Executive Directors has been appointed for a period of five years. The Chairman & Managing Director have been appointed for a period of three years. As per the service rules of the Company, 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.
- Total 17 meetings of shareholders/Investors' Grievance Committee were held during the year 2010-2011 on the following dates:

28/04/2010	07/05/2010	11/06/2010	30/06/2010
22/07/2010	11/08/2010	25/08/2010	15/09/2010
08/10/2010	25/10/2010	15/11/2010	14/12/2010
27/12/2010	17/01/2011	15/02/2011	04/03/2011
23/03/2011			

- 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	17	16
Mr. Yogesh M. Kothari	Executive Director	17	15
Mr. Shyam B. Ghia	Independent	17	16

- Mr. K.P. Rajagopalan, General Manager (Secretarial & Legal) is the Compliance Officer.
- No. of shareholder complaints received during 2010-2011:
 

Relating to non-receipt of Annual Report	: Two
Relating to loss of shares	: One
Relating to transmission of shares	: One

- 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 |
- g) No. of pending share transfers as on 31.3.2011 : 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 2010-2011 the Finance Committee Meetings were held on 02.09.2010, 22.11.2010, 23.02.2011 and 29.03.2011.

Name	No. of Finance Committee Meetings held	No. of Finance committee Meetings attended
Mr. Yogesh M. Kothari	Four	Four
Mr. Shobhan N. Thakore	Four	Two
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
30th AGM	Chandragupt Hall 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 Rs.250 crores. b) According consent to the Board of Directors to create mortgage, charges, hypothecations etc. upto a limit of Rs.250 crores.	July 22, 2010	2.30 P.M.
29th AGM	Chandragupt Hall 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.
28th AGM	Chandragupt Hall Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400703, Maharashtra. No special resolution was passed	July 31, 2008	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 Schedule 21 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](http://www.alkylamines.com).
- ii) Management Discussion & Analysis is part of Annual Report 2010-2011.

**7. GENERAL SHAREHOLDER INFORMATION:**

- i) Annual General Meeting  
Date : August 4, 2011  
Time : 2.30 p.m.  
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 28.7.2011 to 4.08.2011 (both days inclusive)
- iv) Dividend Payment Date: On and from August 11, 2011
- 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) : ALKYLAM
- vii) Market Price Data - High & Low at BSE and NSE of the equity shares of the Company during each month for the year 2010-2011 as compared to BSE Sensex/Nifty are as under:

	BSE(Rs.)		Sensex		NSE(Rs.)		Nifty	
	High	Low	High	Low	High	Low	High	Low
April '10	99.35	69.25	18,047.86	17,276.80	99.65	67.10	5374.65	5203.65
May '10	82.75	76.50	17,536.86	15,960.15	83.55	77.00	5222.75	4806.75
June'10	116.20	78.35	17,919.62	16,318.39	116.25	77.80	5353.30	4970.20
July '10	101.25	91.55	18,237.56	17,395.58	101.55	91.40	5449.10	5235.90
Aug.'10	94.50	86.75	18,475.27	17,819.99	93.90	87.35	5543.50	5402.40
Sept.'10	103.15	88.85	20,267.98	18,027.12	102.20	88.45	6035.65	5471.85
Oct. '10	103.90	90.60	20,854.55	19,768.96	103.30	90.50	6233.90	5982.10
Nov. '10	97.60	84.40	21,108.64	18,954.82	98.15	82.00	6312.45	5751.95
Dec.'10	92.35	80.75	20,552.03	19,074.57	94.00	80.40	6134.50	5766.50
Jan. '11	94.50	79.50	20,664.80	18,038.48	92.00	79.00	6157.60	5505.90
Feb. '11	92.70	76.75	18,690.97	17,295.62	93.35	75.50	5546.45	5225.80
Mar. '11	87.90	78.50	19,575.16	17,792.17	89.00	79.10	5833.75	5364.75

**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, 2011 :**

Shareholding of Nominal Value (Rs.)	No. of Holders	(%) of Holders	Total Amount	% of Amt.
UPTO 5000	6969	92.07	8122800	7.96
5001 TO 10000	313	4.14	2288450	2.24
10001 TO 20000	124	1.64	1776510	1.74
20001 TO 30000	30	0.40	743860	0.73
30001 TO 40000	21	0.28	734500	0.72
40001 TO 50000	17	0.22	822310	0.81
50001 TO 100000	46	0.61	3286510	3.22
100001 AND ABOVE	49	0.65	84207020	82.57
<b>TOTAL</b>	<b>7569</b>	<b>100</b>	<b>101981960</b>	<b>100</b>

## x) Shareholding pattern as on 31st March, 2011

No.	Category of shareholders	No. of Shares held	% of share holding
01	I) Indian Promoters/Persons acting in concert	7554018	74.072
	II) Foreign Promoter	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	28	0
	Sub-Total (B)	704	0.007
04	Private Corporate Bodies	206894	2.029
05	NRIs/OCBs	30079	0.295
06	Clearing members	151	0.001
07	Indian Public	2393974	23.475
	Sub-Total (C)	2631098	25.799
	Total Share Capital (A+B+C)	10198196	100

## xi) Shareholding of Directors as on 31st March, 2011

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. Piralal	----
Mr. Premal N. Kapadia	----
Mr. K.R.V. Subrahmanian	----
Ms. Tarjani Vakil	----
Ms. Rima Marphatia	----
Mr. Kirat Patel	26785
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	:	20 Days.
Demat ISIN Number for Equity Shares of the Company in NSDL & CDSL ISIN	-	INE 150B01013.
Total No. of Shares as on 31.3.2011	-	10198196 Shares
Total No. of shares dematerialised upto 31.03.2011	-	9702853 Shares
Percentage to total paid up capital	-	95.143 %

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 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)

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**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, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with The Mumbai 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 31, 2011

**AUDITORS' REPORT**

For the year ended March 31, 2011

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, 2011 and also the Profit and Loss Account 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 those books;
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Profit and Loss Account 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with notes thereon, 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, 2011;
    - ii. in the case of Profit and Loss Account, 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 31, 2011

**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, 2011.**

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. According to the information and explanations given to us, the fixed assets were physically verified by the management during the previous year ended on March 31, 2010.  
The management has reconciled the records as per the physical verification so carried with the books of account during the year and on the completion of such reconciliation, the material discrepancies were noticed and as referred to in Note 3 to Accounts under Schedule 20, the same have been properly dealt with in the books of account.  
The management has decided to carry out the physical verification of 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.
- c. The Company has not disposed off any substantial part of its fixed assets during the year so as to effect 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, 2011.
- 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 eight 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 Rs.4,656.71 lakhs and the year end balance of loan taken from such parties was Rs.2,134.03 lakhs.  
In our opinion, the rate of interest and other terms and conditions on which such deposits and loans have been taken 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, we have not observed any continuing failure to correct major weakness in the aforesaid areas of internal control system.
- v. a. According to the records of the company examined by us information and explanations given to 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 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 there under, 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 books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records in respect of the manufacture of hydrogen under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the 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, 2011 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 (Rs. in Lakhs)	Forum where dispute is pending
The Income-tax Act, 1961	Disallowance of expenditure/ deductions and interest	Assessment Years 1998-1999, 1999-2000 and 2003-2004	83.69*	The Assessing officer to give effect to the orders of the Income-tax Appellate Tribunal
	Disallowance of expenditure/ deductions and interest	Assessment Year 2007-2008	2.26*	The Income-tax Appellate tribunal
The Central Excise Act, 1944	Dispute relating to Cenvat Credit (interest and penalty)	Financial Years 2006-2007 and 2007-2008	7.81	The Commissioner of Central Excise (Appeals)
The Finance Act, 1944	Service tax on toll processing (interest and penalty)	Financial Year 2004-2005	28.35	The Commissioner of Central Excise (Appeals)

\*Amounts deposited under protest

- x. There are no accumulated losses of the Company as on March 31, 2011 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 debentures, 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 31, 2011

## BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
<b>SOURCES OF FUNDS :</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	1,020.62		1,020.62
Reserves and Surplus	2	6,625.57		5,941.84
			7,646.19	6,962.46
<b>Loan Funds</b>				
Secured Loans	3	8,453.66		8,128.81
Unsecured Loans	4	3,553.44		3,229.08
			12,007.10	11,357.89
<b>Deferred Tax Liability (Net)</b>			1,574.40	1,720.83
<b>Total</b>			<b>21,227.69</b>	<b>20,041.18</b>
<b>APPLICATION OF FUNDS :</b>				
<b>Fixed Assets</b>				
Gross Block	5	18,016.36		17,493.70
Less : Accumulated Depreciation		8,224.29		7,644.13
Net Block		9,792.07		9,849.57
Capital work-in-progress		2,379.83		1,352.59
			12,171.90	11,202.16
<b>Investments</b>	6		234.27	233.45
<b>Current Assets , Loans and Advances</b>				
Inventories	7	5,631.62		5,562.23
Sundry Debtors	8	4,732.87		3,898.05
Cash and Bank Balances	9	130.17		332.80
Loans and Advances	10	1,876.11		2,216.64
		<b>12,370.77</b>		<b>12,009.72</b>
<b>Less : Current Liabilities and Provisions</b>				
Current Liabilities	11	2,931.93		2,821.31
Provisions	12	617.32		582.84
		<b>3,549.25</b>		<b>3,404.15</b>
<b>Net Current Assets</b>			8,821.52	8,605.57
<b>Total</b>			<b>21,227.69</b>	<b>20,041.18</b>
<b>Significant Accounting Policies</b>	20			
<b>Notes to Accounts</b>	21			

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 31, 2011

**K. P. RAJAGOPALAN**  
General Manager (Secretarial & Legal)  
**Place :** Mumbai  
**Dated :** May 31, 2011

For and on behalf of the Board of Directors  
**YOGESH M. KOTHARI**  
Chairman & Managing Director

**KIRAT PATEL**  
Executive Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

Schedule	Rs. in Lakhs	For the Year ended on March 31, 2011 Rs. in Lakhs	For the Year ended on March 31, 2010 Rs. in Lakhs
<b>INCOME</b>			
Sales (Gross) Less Returns	25,475.55		23,165.53
Less : Excise Duty and Sales Tax on Sales	<u>2,291.60</u>		<u>1,785.54</u>
Sales (Net) Less Returns		23,183.95	21,379.99
Miscellaneous Sales		83.92	120.73
Other Income	13	<u>498.77</u>	<u>453.71</u>
<b>Total</b>		<b><u>23,766.64</u></b>	<b><u>21,954.43</u></b>
<b>EXPENDITURE</b>			
Cost of Materials	14	12,316.31	11,921.67
Manufacturing Expenses	15	5,571.19	4,315.05
Employee Cost	16	1,173.33	1,067.83
Selling and Administrative Expenses	17	1,152.70	906.53
Interest and Finance Cost	18	1,032.26	1,203.92
Research and Development Expenses	19	202.30	96.85
Depreciation and Amortisation	5	<u>901.48</u>	<u>852.72</u>
<b>Total</b>		<b><u>22,349.57</u></b>	<b><u>20,364.57</u></b>
<b>PROFIT BEFORE TAX</b>		<b><u>1,417.07</u></b>	<b><u>1,589.86</u></b>
<b>LESS :</b>			
Provision for Taxation			
Current	541.00		579.00
Deferred (Refer note 3 to Accounts under schedule 20)	(146.43)		(105.49)
Current Tax adjustments of earlier years	<u>(74.37)</u>		<u>9.19</u>
		<b><u>320.20</u></b>	<b><u>482.70</u></b>
<b>PROFIT AFTER TAX</b>		<b><u>1,096.87</u></b>	<b><u>1,107.16</u></b>
(Less) / Add : Prior period items		<u>(56.38)</u>	<u>(103.48)</u>
		<b><u>1,040.49</u></b>	<b><u>1,003.68</u></b>
<b>ADD :</b>			
Balance brought forward from the previous year		<b><u>2,293.39</u></b>	<b><u>1,748.66</u></b>
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		<b><u>3,333.88</u></b>	<b><u>2,752.34</u></b>
<b>APPROPRIATIONS :</b>			
General Reserve		105.00	101.00
Proposed Dividend		305.95	305.95
Tax on Dividend		<u>50.81</u>	<u>52.00</u>
		<b><u>461.76</u></b>	<b><u>458.95</u></b>
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b><u>2,872.12</u></b>	<b><u>2,293.39</u></b>
<b>Basic and Diluted Earnings Per Share of Rs. 10</b>		<b><u>10.20</u></b>	<b><u>9.84</u></b>
<b>Significant Accounting Policies</b>	20		
<b>Notes to Accounts</b>	21		

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 31, 2011

For and on behalf of the Board of Directors

**YOGESH M. KOTHARI**

Chairman &amp; Managing Director

**K. P. RAJAGOPALAN**

General Manager (Secretarial &amp; Legal)

**Place :** Mumbai

**Dated :** May 31, 2011

**KIRAT PATEL**

Executive Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the Year ended on March 31 2011 Rs. in Lakhs	For the Year ended on March 31 2010 Rs. in Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	1,417.07	1,589.86
Adjustments for :		
Loss on sale of Fixed Assets	10.93	6.09
Assets written off	103.18	NIL
Depreciation	916.78	866.95
Interest expense	1,032.26	1,203.92
Dividend income	(69.49)	(19.85)
Unrealised loss/(gain) on Foreign Exchange	(28.09)	35.20
Provision for Bad and Doubtful Debts	43.39	30.41
Prior Period Items	(56.38)	(103.48)
Interest on Deposits and Others	(27.55)	(22.10)
<b>Operating Profit before working capital changes</b>	<b>3,342.10</b>	<b>3,587.00</b>
Adjustments for :		
Trade and Other Receivables	(744.79)	(45.90)
Inventories	(69.39)	1688.96
Trade Payables and Other Provisions	146.28	(323.20)
Investments	(0.82)	NIL
<b>Cash generated from Operations</b>	<b>2,673.38</b>	<b>4906.86</b>
Income Tax paid	(231.44)	(571.55)
<b>Net cash from operating activities</b>	<b>2,441.94</b>	<b>4335.31</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2018.87)	(1075.95)
Sale of Fixed Assets	18.25	6.32
Sale/(Purchase) of Investments	NIL	(3.18)
Dividend income	69.49	19.85
Interest on Deposits and Others	27.55	22.10
<b>Net cash from investing activities</b>	<b>(1903.58)</b>	<b>(1030.87)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Deferred Sales Tax Payment	(20.18)	(47.47)
Proceeds from long term Bank borrowings	698.25	(1620.89)
Increase/Decrease of Cash/export Credit and	(28.86)	301.13
Interest paid	(1,032.26)	(1,253.94)
Dividend paid ( including Dividend Distribution Tax )	(357.94)	(238.63)
<b>Net cash from financing activities</b>	<b>(740.99)</b>	<b>(3462.06)</b>
<b>Increase in cash and cash equivalents (A+B+C)</b>	<b>(202.63)</b>	<b>(157.62)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>332.80</b>	<b>490.42</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>130.17</b>	<b>332.80</b>

## Notes:

- The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3.
- Cash and cash equivalents include cash, bank balances and fixed deposits with banks.
- Cash and Cash Equivalents include Balance on Margin Accounts of Rs. 17.28 lakhs (Previous Year Rs. 36.76 lakhs) and Bank Balances maintained for Unpaid Dividend amounts of Rs. 16.96 lakhs (Previous Year Rs. 14.53 lakhs).
- Purchase of fixed assets include 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 31, 2011

For and on behalf of the Board of Directors

**YOGESH M. KOTHARI**

Chairman &amp; Managing Director

**K. P. RAJAGOPALAN**

General Manager (Secretarial &amp; Legal)

Place : Mumbai

Dated : May 31, 2011

**KIRAT PATEL**

Executive Director

**SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2011**

	Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 1 : SHARE CAPITAL</b>			
<b>AUTHORISED:</b>			
15,000,000 Equity Shares of Rs.10 each		1,500.00	1,500.00
15,00,000 Cumulative Redeemable Preference Shares of Rs.100 each		1,500.00	1,500.00
		<b>3,000.00</b>	<b>3,000.00</b>
<b>ISSUED SUBSCRIBED AND PAID UP:</b>			
10,198,196 (10,198,196) Equity Shares of Rs. 10 each fully paid	1,019.82		1,019.82
Add: Shares/Warrants forfeited	<u>0.80</u>		<u>0.80</u>
		<u>1,020.62</u>	<u>1,020.62</u>
		<b>1,020.62</b>	<b>1,020.62</b>
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>			
Capital Reserve		9.66	9.66
Capital Redemption Reserve		25.00	25.00
Securities Premium		1,290.97	1,290.97
General Reserve			
As per last Balance Sheet	2,322.82		2,221.82
Add : Transfer from Profit and Loss Account	<u>105.00</u>		<u>101.00</u>
		2,427.82	2,322.82
Profit and Loss Account			
As per Account Annexed		<u>2,872.12</u>	<u>2,293.39</u>
		<b>6,625.57</b>	<b>5,941.84</b>
<b>SCHEDULE 3 : SECURED LOANS</b>			
From Financial Institutions			
Term Loans		1,653.00	633.00
From Banks			
Cash Credit Facilities/Working Capital Demand Loan		4,621.54	4,650.40
Buyers' Credits		532.65	301.13
Term Loans		1,570.25	2,519.45
Vehicle Loans (See Note 4 below)		66.01	14.35
From Others			
Vehicle Loans (See Note 4 below)		<u>10.21</u>	<u>10.48</u>
		<b>8,453.66</b>	<b>8,128.81</b>

1. Cash Credits/Working Capital Demand Loan, from State Bank of India, Bank of Baroda 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, as well as by the second mortgage of the specified immovable properties of the Company. The process of creation of security for the working capital facility from Standard Chartered Bank is in progress.

2. Term loans from Financial Institutions/Banks are secured by:
- Mortgage of the Company's immovable properties specified in the relevant loan agreements;
  - 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.

3. The Company has availed of a term Loan of Rs.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 2(a) above and also a second charge by way of hypothecation of Raw Material inventory, Book Debts, movable Machinery etc.
4. Vehicle Loans are secured against specified assets.
5. Amounts due within one year
- Term Loans : Rs. 1,045.96 Lakhs (Rs. 949.21 Lakhs)
- Other Loans : Rs. 23.78 Lakhs (Rs. 19.08 Lakhs)

	Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 4 : UNSECURED LOANS</b>			
Long Term Loans and Advances			
From Directors	1,235.00		NIL
From Intercorporate Deposits	<u>967.50</u>		<u>0.01</u>
		2,202.50	0.01
Short Term Loans and Advances			
From Directors	259.03		1,185.00
From Intercorporate Deposits	<u>100.52</u>		<u>1,032.50</u>
		359.55	2,217.50
Other Loans and Advances			
From Directors		NIL	NIL
Sales Tax Deferral under the Package Scheme of Incentives, 1988 *		NIL	20.18
Sales Tax Deferral under the Package Scheme of Incentives, 1993 **		991.39	991.39
		<u><b>3,553.44</b></u>	<u><b>3,229.08</b></u>

\* Is in respect of Patalganga Unit to be repayable in 5 equal installments beginning from April 30, 2003. The amount payable within the next twelve months is Rs. Nil. (Rs.20.18 lakhs)

\*\* Is in respect of Kurkumbh Unit for which the Schedule of repayment has not yet been intimated.

Rupees. in Lakhs

**SCHEDULE 5 : FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK			
	As At April 01, 2010	Adjustment due to reclassification	During the year Additions	As At March 31, 2011	Upto March 31, 2010	Adjustment due to reclassification	For the year	Upto March 31, 2011	As At March 31, 2010	As At March 31, 2011
Freehold Land	1.15	-	-	1.15	-	-	-	-	1.15	1.15
Leasehold Land (Note 1)	303.20	-	-	303.20	47.94	-	3.95	51.88	251.32	255.26
Buildings	2,085.61	412.25	56.71	2,542.21	576.55	110.26	32.28	716.66	1,825.55	1,509.06
Plant, Machinery and Equipments (Note 2)	13,771.95	(656.18)	758.65	13,761.03	6,307.32	(188.28)	790.57	6,820.33	6,940.70	7,464.63
Furniture and Fixtures	104.15	2.31	1.47	96.45	76.33	1.81	5.70	74.09	22.36	27.82
Office Equipments	415.78	0.94	12.68	248.35	293.30	(0.16)	34.95	173.75	94.01	122.49
Electrical Installations	434.63	174.74	4.69	604.68	194.76	37.13	17.31	245.91	358.77	239.87
Electrical Equipments	40.29	7.03	5.53	41.79	15.00	1.34	3.18	15.10	26.69	25.29
Vehicles	128.46	2.83	97.80	161.38	59.41	1.22	13.54	31.24	130.14	69.05
							<u>901.48</u>			
							<u>(36.68)</u>			
<b>Research and Development (R &amp; D) Assets</b>										
Tangible Assets										
Plant, Machinery and Equipments	97.01	63.71	0.60	149.74	33.35	37.55	4.83	64.97	84.77	63.66
Furniture and Fixtures	52.18	(0.37)	-	51.81	28.03	(0.22)	3.30	31.11	20.70	24.15
Office Equipments	17.72	(11.18)	0.96	7.50	4.67	(1.43)	0.85	4.09	3.41	13.05
Electrical Installations	-	0.37	-	0.37	1.90	0.22	(0.06)	0.16	0.21	-
Electrical Equipments	5.94	3.56	-	9.50	1.90	0.56	0.23	2.69	6.81	4.04
Vehicles	12.15	-	-	12.15	1.05	-	1.15	2.20	9.95	11.10
Intangible Assets	23.48	-	1.57	25.05	4.52	-	5.00	9.52	15.53	18.96
<b>TOTAL (A)</b>	<b>17,493.70</b>	-	<b>930.44</b>	<b>18,016.36</b>	<b>7,644.13</b>	-	<b>916.78</b>	<b>8,224.29</b>	<b>9,792.07</b>	<b>9,849.58</b>
<b>CAPITAL WORK IN PROGRESS</b> (Including Capital Advances)										
Other than R & D Assets	1,225.80	-	1,951.69	2,247.27	-	-	-	-	2,247.27	1,225.80
R & D Assets	-	-	-	-	-	-	-	-	-	-
Tangible	126.79	-	67.18	132.56	-	-	-	-	132.56	126.79
Intangible	1,352.59	-	2,018.87	2,379.83	-	-	-	-	2,379.83	1,352.59
<b>GRAND TOTAL (A+B)</b>	<b>18,846.29</b>	-	<b>2,949.31</b>	<b>20,396.19</b>	<b>7,644.13</b>	-	<b>916.78</b>	<b>8,224.29</b>	<b>12,171.90</b>	<b>11,202.17</b>
Previous year	17,787.74	-	**1629.46	**570.91	18,846.29	6,782.16	866.96	7,644.13	11,202.16	

**Notes :**

- The Lease Deed from MIDC in respect of Plot Nos. D-6/2, R-1 and R-2 of the value of Rs.131.13 lakhs is yet to be executed.
  - Plant, Machinery and Equipments include Rs.390.87 Lakhs (Rs.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.
  - Adjustments to Capital Work-in-Progress represent capitalisation to Fixed Assets.
  - Borrowing Costs Capitalised during the year Rs.133.87 Lakhs (Rs.58.13 Lakhs).
  - As regards adjustment due to reclassification, refer Note 3 to Accounts under Schedule 21.
- \*\*i. Roads with the Gross Block of Rs.45.09 lakhs and the Accumulated Depreciation of Rs. 0.58 lakhs are transferred to Buildings and reflected in the column of "Additions" and "Depreciation-Withdrawal for Sale/Adjustment", respectively.
- ii. Pilot Plant at Kurkumbh with the Gross Block of Rs. 39.81 Lakhs and the Accumulated Depreciation of Rs. 14.69 lakhs are recognised as R & D Assets-Plant, Machinery and Equipments

	Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 6 : INVESTMENTS</b>			
<b>NON-TRADE</b>			
Long Term			
Unquoted			
In Subsidiary Companies :			
Alkyl Speciality Chemicals Limited		81.91	81.91
1,638,266 (1,638,266) Equity Shares of Rs.10 each			
Alkly Amines Europe SPRL		8.25	7.43
100 Equity Shares of Euros 124 each			
(Previous year Euros 124 each)			
Quoted			
Diamines and Chemicals Limited		144.11	144.11
1,985,331 (1,985,331) Equity Shares of Rs.10 each			
		<u>234.27</u>	<u>233.45</u>
Aggregate Market Value of Quoted Investments		<u>1,448.28</u>	<u>957.91</u>
<b>SCHEDULE 7 : INVENTORIES</b>			
(Taken, Valued and Certified by Management			
Refer Note 6 to Schedule 20)			
Stock in Trade :			
Raw Materials		808.00	1,422.81
Packing Materials		63.22	48.47
Store, Spares, Furnace Oil, etc.		1,492.70	1,627.48
Work in Progress		1,200.68	946.22
Finished Goods		2,067.02	1,517.25
		<u>5,631.62</u>	<u>5,562.23</u>
<b>SCHEDULE 8 : SUNDRY DEBTORS</b>			
Unsecured and Considered Good			
- For a period exceeding six months	2.38		94.58
- Others	4,730.49		3,803.47
		4,732.87	3,898.05
Considered doubtful			
- For a period exceeding six months	159.44		178.44
Less : Provision for Doubtful Debts	159.44		178.44
		NIL	NIL
		<u>4,732.87</u>	<u>3,898.05</u>
<b>SCHEDULE 9 : CASH AND BANK BALANCES</b>			
Cash on Hand		2.06	3.59
Balance with Scheduled Banks			
- On Current Accounts	110.83		292.45
- On Deposit Accounts	17.28	128.11	36.76
		<u>130.17</u>	<u>332.80</u>

	Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 10 : LOANS AND ADVANCES</b>			
[Unsecured and Considered Good unless stated otherwise]			
Advances recoverable in cash or in kind for value to be received		920.46	896.82
Balances with Excise and Service Tax Authorities		465.05	683.66
Advance to Suppliers			
Considered Good	252.40		184.71
Considered Doubtful	15.22		5.94
	267.62		190.65
Less : Provision for doubtful advances	15.22		5.94
		252.40	184.71
Taxes Paid	1,727.33		1,630.15
Less : Provision for Taxes	1,615.41		1,283.05
		111.92	347.10
Deposits			
Considered Good	126.28		104.35
Considered Doubtful	4.64		5.91
	130.92		110.26
Less : Provision for doubtful advances	4.64		5.91
		126.28	104.35
		<b>1,876.11</b>	<b>2,216.64</b>
<b>SCHEDULE 11 : CURRENT LIABILITIES</b>			
Sundry Creditors			
Micro and Small Enterprise (Refer Note 5 to Schedule 21)	61.52		24.60
Subsidiary Companies	NIL		10.37
Others			
- For Capital Expenses	85.17		64.55
- For Goods/Expenses	2,079.82		2,130.05
		2,226.51	2,229.57
Other Liabilities		657.95	547.49
Interest accrued but not due on loans		30.51	28.89
Unclaimed Dividend*		16.96	14.53
Book Overdraft		NIL	0.83
		<b>2,931.93</b>	<b>2,821.31</b>
<b>SCHEDULE 12 : PROVISIONS</b>			
(Refer Note 16 to Schedule 21)			
For Gratuity		188.75	158.63
For Leave Encashment		71.81	66.27
For Proposed Dividend		305.95	305.95
For Tax on Dividend		50.81	51.99
		<b>617.32</b>	<b>582.84</b>

\*In respect of the amounts mentioned under Section 205C of the Companies Act, 1956 there are no dues that are to be credited to Investor Education and Protection Fund as at March 31, 2011 (March 31, 2010 : Rs. Nil).

**SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED ON MARCH 31, 2011**

	Rs. in Lakhs	For the Year ended on March 31, 2011 Rs. in Lakhs	For the Year ended on March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 13 : OTHER INCOME</b>			
Toll Income		258.14	211.13
Export Incentives		55.37	44.03
Insurance Claims		3.99	39.73
Dividend Income		69.49	19.85
Interest on Deposits and Others		27.55	22.10
[Tax deducted at source Rs. 0.94 lakhs (Previous year Rs. 1.76 lakhs)]			
Amounts/Excess Provision written back		75.02	83.98
Miscellaneous Income		9.21	32.89
		<u>498.77</u>	<u>453.71</u>
<b>SCHEDULE 14 : COST OF MATERIALS</b>			
Raw Materials			
Opening Stock	1,422.81		1,775.85
Add: Purchases	11,566.69		10,178.97
	<u>12,989.50</u>		<u>11,954.82</u>
Less: Closing Stock	808.00		1,422.81
		12,181.50	10,532.01
Packing Materials			
Opening Stock	48.47		82.67
Add: Purchases	903.65		583.10
	<u>952.12</u>		<u>665.77</u>
Less: Closing Stock	63.22		48.47
		888.90	617.30
(Accretion)/Decretion of Stocks			
Finished Goods and Stock in Process			
Closing Stock			
Finished Goods	2,067.02		1,517.25
Stock in process	1,200.68		946.22
	<u>3,267.70</u>		<u>2,463.47</u>
Less : Opening Stock			
Finished Goods	1,517.25		2,617.19
Stock in process	946.22		653.44
	<u>2,463.47</u>		<u>3,270.63</u>
		(804.23)	807.16
Excise Duty Provision on Finished Goods			
Closing Stock	192.82		(142.67)
Less : Opening Stock	(142.67)		177.47
		50.14	(34.80)
		<u>12,316.31</u>	<u>11,921.67</u>

	Rs. in Lakhs	For the Year ended on March 31, 2011 Rs. in Lakhs	For the Year ended on March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 15 : MANUFACTURING EXPENSES</b>			
Stores and Spares Consumed		787.80	395.63
Power, Fuel and Water Charges		3,766.16	3,095.37
Processing Charges		440.85	364.62
Cogen & Boiler Expenses (Refer Note 8 to Schedule 21)		183.37	221.30
Testing Charges		29.20	18.36
Hire Charges		14.89	8.35
Repairs and Maintenance :			
Building	38.82		20.20
Plant and Machinery	188.23		72.69
Others	82.56		77.19
		<u>309.61</u>	<u>170.08</u>
Insurance		39.31	41.34
		<u><b>5,571.19</b></u>	<u><b>4,315.05</b></u>
<b>SCHEDULE 16 : EMPLOYEE COST</b>			
Directors' Remuneration		146.95	189.07
Salaries, Wages and Benefits		732.02	670.05
Contribution to Provident Fund and Other Funds		71.95	63.49
Staff Welfare Expenses		155.75	113.55
Labour Charges		60.03	29.34
Recruitment Charges		6.63	2.33
		<u><b>1,173.33</b></u>	<u><b>1,067.83</b></u>
<b>SCHEDULE 17 : SELLING, ADMINISTRATIVE AND OTHER EXPENSES</b>			
<b>SELLING EXPENSES</b>			
Sales Promotion Expenses		17.04	12.34
Sales Tax Expenses		1.63	56.40
Export Expenses		410.41	235.66
Advertisement		6.81	6.04
Freight and Forwarding		120.97	31.73
Discount Allowed		3.98	0.03
Commission on Sales		100.00	129.36
		<u><b>660.84</b></u>	<u><b>471.56</b></u>
<b>ADMINISTRATIVE EXPENSES</b>			
Rent		1.65	6.84
Rates and Taxes		10.72	7.68
Electricity Charges		16.21	15.81
Directors' Sitting Fees		9.06	1.94
Commission to Other Directors		15.39	16.69
Security Charges		39.75	34.65
Professional Charges		106.89	68.20

	Rs. in Lakhs	For the Year ended on March 31, 2011 Rs. in Lakhs	For the Year ended on March 31, 2010 Rs. in Lakhs
Auditors' Remuneration			
Audit Fees	6.00		6.00
Tax Audit Fees	2.15		1.90
Taxation Matters	0.48		0.57
Certification Work	1.80		1.20
		10.43	9.67
Printing and Stationery		15.45	13.27
Postage and Telegrams		33.49	29.56
Travelling and Conveyance		39.11	43.67
Donations		9.94	10.04
Wealth Tax		0.34	0.25
Foreign Exchange Loss ( Net )		6.91	57.90
Loss on Sale/Scrap of Assets		10.77	6.09
Bad Debts Written Off	61.03		NIL
Add : Provision for Doubtful Debts/ Deposits/Advances written off	44.82		30.41
Less: Provision for Doubtful Debts/ Deposits/Advances no longer required	62.46		NIL
		43.39	30.41
Fixed Assets Written Off		42.37	NIL
Amounts Written Off		25.65	33.66
Miscellaneous Expenses		54.34	48.64
		<b>491.86</b>	434.97
		<b>1,152.70</b>	<b>906.53</b>
<b>SCHEDULE 18 : INTEREST AND FINANCE COST</b>			
Interest			
On Cash Credit Facilities/Buyers' Credit	274.27		430.69
On Term Loans	294.98		359.35
On Others	341.22		274.19
		910.47	1,064.23
Bank Charges		121.79	139.69
		<b>1,032.26</b>	<b>1,203.92</b>

	Rs. in Lakhs	For the Year ended on March 31, 2011 Rs. in Lakhs	For the Year ended on March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 19 : RESEARCH &amp; DEVELOPMENT EXPENSES</b>			
<b>Cost of Material</b>			
Raw Materials		NIL	0.05
<b>Manufacturing Expenses</b>			
Stores and Supplies Consumed	NIL		0.03
Testing Charges	0.22		NIL
Insurance	0.01		NIL
Repairs and Maintenance :			
Building	4.51		NIL
Others	0.95		2.17
		5.69	2.20
<b>Employee Cost</b>			
Salaries, Wages and Benefits	84.70		54.63
Staff Welfare Expenses	7.18		2.23
Labour Charges	3.09		1.79
Recruitment Expenses	0.02		0.01
		94.99	58.66
<b>Selling, Administrative and Other Expenses</b>			
Freight and Forwarding	0.35		NIL
Rent	9.60		9.60
Rates and Taxes	NIL		0.18
Electricity Charges	NIL		0.27
Security Charges	2.89		2.19
Professional Charges	1.85		0.29
Printing and Stationery	0.77		0.43
Postage and Telegrams	1.90		2.00
Travelling and Conveyance	1.95		2.80
Donations	0.01		NIL
Loss on Sale of Assets	0.16		NIL
Fixed Assets written off	60.81		NIL
Miscellaneous Expenses	6.03		3.95
		86.32	21.71
Depreciation		15.30	14.23
		<b>202.30</b>	<b>96.85</b>

**SCHEDULE 20 : SIGNIFICANT ACCOUNTING POLICIES****1. ACCOUNTING CONVENTION:**

The accounts are prepared on the basis of going concern under historical cost convention as also on 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.

**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.

**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.

**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:

- a. 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.
- b. 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.

**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.

**6. INVENTORIES:**

- a. 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.

- b. 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.

- c. 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.

d. 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.

e. Traded goods:

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

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

**7. TAXATION:**

a. Current Tax: Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.

b. 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.

c. Fringe Benefit Tax: Provision for Fringe Benefit Tax is made in accordance with the provisions of the Income-tax Act, 1961.

**8. REVENUE RECOGNITION:**

a. 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.

b. Sales of traded goods:

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

c. 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.

d. Recognition of Export Benefits:

Export Benefit Entitlements under the Duty Entitlement Pass Book 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.

e. 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.

f. 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 UNFCC 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.

**9. EMPLOYEE BENEFITS:**

a. **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.

**b. 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.

**10. RESEARCH AND DEVELOPMENT COSTS:**

- a. Revenue expenditure on research, if any, is charged against the Profit of the year in which it is incurred.
- b. Development Expenditure :
  - i. 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;
  - ii. 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;
  - iii. other development expenses are charged to the Profit and Loss Account 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 Profit and Loss Account.

**11. FOREIGN CURRENCY TRANSACTIONS:**

- a. 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.
- b. 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 Profit and Loss Account.
- c. 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 are recognised in the Profit and Loss Account.
- d. 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.
- e. 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 Profit and Loss Account.

**12. LEASE RENTALS:**

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

**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.

**14. PRIOR-PERIOD ITEMS:**

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

**15. DEFERRED REVENUE EXPENDITURE:**

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

**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.

**17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

- a. 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.
- b. 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.
- c. Contingent Assets are neither recognized nor disclosed.

**SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2011 AND TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

**SCHEDULE 21 : NOTES TO ACCOUNTS**

1. Sr. No.	Particulars	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	126.53	735.47
	Less : Advances	51.74	267.86
	Net Estimated Amount	74.49	467.61
b.	Contingent Liabilities not provided for :-		
i.	Claims against the Company by Ex- employees in Labour Court not acknowledged as debts	46.14	39.50
ii.	Disputed liability in respect of Income-tax demand (including interest) matter under appeal (Amount deposited Rs. 85.96 Lakhs (Previous Year Rs. 114.33 Lakhs))	85.96	114.33
iii.	Inter State Sales Tax against "C" Form	378.04	226.11
iv.	Disputed liability in respect of Sales Tax Matters under appeal	NIL	38.98
v.	Disputed Liability in respect of Service Tax	39.00	44.62
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 Rs. 412.00 Lakhs (Previous Year Rs. 359.00 Lakhs).		

2. The following expenses incurred during the year on development of new processes for products as for Intangible Assets (including Capital Work-in-Progress) :

Nature of Expenses	For the Year ended March 31, 2011 Rs. In Lakhs	For the Year ended March 31, 2010 Rs. In Lakhs
Raw Material and Chemicals	4.18	4.55
Catalyst	NIL	0.71
Repairs, Stores and Spares	6.95	1.99
Consumables	3.45	2.96
Electricity and Fuel Charges	4.43	3.81
Testing Charges	0.04	0.16
Salaries	37.62	54.86
<b>Total</b>	<b>56.67</b>	<b>69.04</b>

3. Fixed Assets of the Company were physically verified during the last year and the same have now been reconciled with the records of the Company. On reconciliation, certain discrepancies were noticed as to the existence as also on account of reclassification of the Fixed Assets. As a result, the Fixed Assets amounting to Rs. 42.00 Lakhs have been written off and Fixed Assets with a gross block of Rs. 667.72 Lakhs as at April 1, 2010 (with the corresponding accumulated depreciation of Rs. 190.10 Lakhs thereon upto the March 31, 2010) have been reclassified and accordingly reflected in the Schedule 5 on "Fixed Assets" under column "Adjustment due to reclassification". Due to this reclassification, excess depreciation charged in earlier years work out to Rs. 7.98 Lakhs and the same has been considered while arriving at "Depreciation for the year" under column 5.

Due to the above referred to reclassification due to excess depreciation charged in earlier years, there is a reduction in the deferred tax liability to the extent of Rs. 77.15 Lakhs. Further, the Fixed Assets written off of Rs. 42.00 Lakhs has resulted in reduction in the deferred tax liability of Rs. 13.63 Lakhs.

4. The Company has called for balance confirmations from Sundry Debtors and Sundry Creditors. 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.
5. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:

Sr. No.	Particulars	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
a.	Principal amount remaining unpaid and interest due thereon		
	- Principal Amount	58.88	24.52
	- Interest	NIL	NIL
b.	Interest paid in term of Section 16	NIL	NIL
c.	Interest due and payable for the period of delay in payment	2.63	0.08
d.	Interest accrued and remaining unpaid	NIL	NIL
e.	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.

6. Based on the Exposure Draft of the Guidance Note on "Accounting for Self-Generated Certified Emission Reduction (CER)" issued by the Institute of Chartered Accountants of India, from the year 2009-10, the Company has decided not to recognise Carbon Credits based on mere generation and recognise only when it is certified. The carbon credit which has already been recognised upto March 31, 2009, on the basis of credits generated, though not certified, continues to be reflected after giving effect on account of exchange rate difference of Rs. 16.31 lakhs (Rs. 45.06 lakhs), as an asset at Rs. 392.95 lakhs (Rs. 376.64 lakhs).
7. a. **Computation of Net Profit under Section 198 of the Companies Act, 1956**

Particulars	For the Year ended March 31, 2011 Rs. in Lakhs	For the Year ended March 31, 2010 Rs. in Lakhs
Profit after tax for the year	1,040.49	1,003.68
<b>Add:</b> Provision for Tax	320.19	473.51
Directors' Remuneration	169.30	183.57
Directors' Sitting Fees	9.06	1.94
Loss on Sale of Fixed Assets	NIL	6.09
Net Profit for the year	<b>1539.04</b>	<b>1668.79</b>
<b>Remuneration:</b>		
i. Maximum remuneration permissible under the Companies Act, 1956 to Chairman and Managing Director and Executive Directors at 10% of Net Profit as computed above	<u>153.90</u>	<u>166.88</u>
Total remuneration (including commission) for the year	<u>153.90</u>	<u>166.88</u>

ii	Maximum commission permissible under the Companies Act, 1956 to Non-Executive Directors at 1% of Net Profit as computed above	15.39	16.69
	<b>Commission for the year</b>	<b>15.39</b>	<b>16.69</b>

**b. Details of Directors' Remuneration and Commission:**

Particulars	For the Year ended March 31, 2011 Rs. in Lakhs	For the Year ended March 31, 2010 Rs. in Lakhs
Salaries	122.23	109.07
Contribution to Provident Fund	10.27	8.91
Reimbursement of Medical and Leave Travel Allowance	0.89	1.16
Other Perquisites	3.32	16.77
Commission to Chairman and Managing Director and Executive Directors (maximum permissible limit is 2% of the Profit as computed under section 349 in aggregate to the two executive directors as approved by the shareholders)	17.19	30.97
Commission to Non-Executive Directors	15.39	16.69
<b>Total</b>	<b>169.29</b>	<b>183.57</b>

The total remuneration excludes contribution to gratuity fund, which is based on an actuarial valuation.

**8. Cogen and Boiler Expenses**

Particulars	For the Year ended March 31, 2011 Rs. in Lakhs	For the Year ended March 31, 2010 Rs. in Lakhs
<b>Cost of Material</b>		
Raw Material	0.31	1.23
<b>Manufacturing Expenses</b>		
Stores and Spares Consumed	24.05	20.46
Power, Fuel and Water Charges	1.17	NIL
Testing Charges	0.29	0.51
Hire Charges	NIL	15.63
Repairs and Maintenance	140.45	139.68
Insurance	1.60	NIL
<b>Employee Cost</b>		
Salaries, Wages and Benefits	4.39	NIL
Contribution to Provident Fund and Other Funds	0.32	NIL
Staff Welfare Expenses	NIL	0.18
Labour Charges	8.32	32.65
<b>Selling And Administrative Expenses</b>		
<b>Selling Expenses</b>		
Freight Outward	0.22	0.31
<b>Administrative Expenses</b>		
Rent	0.42	1.44
Security charges	NIL	1.94
Professional Charges	1.74	7.27
Travelling and Conveyance	0.09	NIL
<b>Total</b>	<b>183.37</b>	<b>221.30</b>

**9. Prior Period Items shown in the Profit and Loss Account:**

Particulars	For the Year ended March 31, 2011 Rs. in Lakhs	For the Year ended March 31, 2010 Rs. in Lakhs
<b>Income</b>		
<b>Sales</b>		
Sales Domestic	(0.23)	NIL
Sales Export	(43.84)	NIL
<b>Other Income</b>		
Interest Others	NIL	2.43
Export Incentives	(0.52)	NIL
Profit on Sale of Fixed Assets	NIL	1.85
Miscellaneous Income	(0.73)	NIL
<b>Total</b>	<u>(45.32)</u>	<u>4.28</u>
<b>Expenditure</b>		
<b>Cost Of Materials</b>		
Raw Materials	0.27	NIL
<b>Manufacturing Expenses</b>		
Process Charges	NIL	0.35
Testing Charges	0.07	0.13
Repairs- Others	0.08	NIL
PLA Excise Duty	(0.35)	NIL
<b>Employee Cost</b>		
Salaries, Wages and Benefits	1.21	NIL
Staff Welfare Expenses	0.38	(0.38)
Labour Charges	0.04	NIL
<b>Selling, Administrative and Other Expenses</b>		
<b>Selling Expenses</b>		
Sales Promotion Expenses	NIL	8.99
Sales Tax Expenses	1.02	71.63
Export Expenses	0.89	NIL
Freight and Forwarding	0.20	4.89
Commission on Sales	0.83	8.62
<b>Administrative Expenses</b>		
Rent	0.07	NIL
Rates and Taxes	6.00	NIL
Electricity Expenses	0.25	NIL
Professional Charges	NIL	5.24
Auditors Remuneration		
- Tax Audit Fees	NIL	1.85
- Taxation Matters	0.33	0.39
Postage and Telegrams	0.13	NIL
Printing and Stationery	0.19	0.63
Travelling and Conveyance	(0.05)	NIL
Foreign Exchange Fluctuation	(0.52)	NIL
Miscellaneous Expenses	0.02	(0.28)
<b>Interest and Finance Cost</b>		
Bank Charges	NIL	5.70
<b>Total</b>	<u>11.05</u>	<u>107.76</u>
<b>Prior Period Income / (Expenses) (Net)</b>	<u>(56.38)</u>	<u>(103.48)</u>

## 10. Employee Benefits:

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

Particulars	For the Year ended March 31, 2011	For the Year ended March 31, 2010	For the Year ended March 31, 2011	For the Year ended March 31, 2010
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>	<b>Gratuity (Funded)</b>		<b>Compensated Absences (Unfunded)</b>	
	<b>Rs. in Lakhs</b>		<b>Rs. in Lakhs</b>	
Obligation at period beginning	247.12	159.82	66.27	57.15
Current service cost	19.23	19.23	11.98	9.88
Interest cost	19.17	13.51	5.30	5.06
Actuarial (gain) / loss	14.40	64.01	(1.69)	1.70
Benefits paid	(19.70)	(9.45)	(10.05)	(7.52)
<b>Obligations at the year end</b>	<b>280.82</b>	<b>247.12</b>	<b>71.81</b>	<b>66.27</b>
<b>Change in plan assets</b>				
Plan assets at period beginning, at fair value	88.50	75.31	Not Applicable	Not Applicable
Expected return on plan assets	7.08	6.85	Not Applicable	Not Applicable
Actuarial gain / (loss)	1.19	0.79	Not Applicable	Not Applicable
Contributions	15.00	15.00	Not Applicable	Not Applicable
Benefits paid	(19.70)	(9.45)	Not Applicable	Not Applicable
<b>Plan assets at the year end, at fair value</b>	<b>92.07</b>	<b>88.50</b>	<b>Not Applicable</b>	<b>Not Applicable</b>
<b>Reconciliations of present value of the obligation and the fair value of plan assets</b>				
Fair value of plan assets at the end of the year	92.07	88.50	NIL	NIL
Present value of the defined benefit obligations at the end of the year	280.82	247.12	71.81	66.27
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>188.75</b>	<b>158.62</b>	<b>71.81</b>	<b>66.27</b>
<b>Cost for the year</b>				
Current Service cost	19.23	19.23	11.98	9.88
Interest cost	19.77	13.51	5.30	5.06
Expected return on plan assets	(7.08)	(6.85)	NIL	NIL
Actuarial (gain)/loss	13.21	63.22	(1.69)	1.70
<b>Net Cost recognised in the Profit and Loss Account</b>	<b>45.13</b>	<b>89.11</b>	<b>15.59</b>	<b>16.64</b>
<b>Assumptions used to determine the benefit obligations:</b>				
Interest rate	8.25%	8%	8.25%	8%
Estimated rate of return on plan assets	8%	8%	Not Applicable	Not Applicable
Expected rate of increase in salary	5%	5%	5%	5%
Actual return on plan assets (Rs. In Lakhs)	7.64	7.64	Not Applicable	Not Applicable

**11. 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.

**12. Related Party Disclosures:**

- a. Following transactions were carried out in the ordinary course of business with the parties referred to in (b) below:

(Rs. In Lakhs)

Particulars	Subsidiary Companies	Associate Company	Key Managerial Personnel and their relatives	Entities over which Key Managerial Personnel has control	Enterprise on which relatives of Key Managerial Personnel has Control
			[with b (III) and b(IV) below]	[with b (V) below]	[with b (VI) below]
Sales		5.01 (NIL)			
Purchases		0.40 (NIL)			
Other Income		1.32 (7.94)			
Alkyl Speciality Chemicals Limited	0.20 (NIL)				
Processing Charges		NIL (3.08)			
Utility Charges		NIL (27.69)			
Professional Fees					
Alkyl Amines Europe SPRL, Belgium	10.95 (NIL)				
Commission paid					
Alkyl Speciality Chemicals Limited	3.26 (NIL)				
<b>Transactions on our behalf :</b>					
Cenvat Credit Paid by		5.50 (24.43)			
Cenvat Credit Availed by		0.10 (2.90)			
Expenses recovered from		4.78 (NIL)			
Alkyl Speciality Chemicals Limited	11.10 (1.91)				
Expenses reimbursed to		0.41 (NIL)			
Alkyl Speciality Chemicals Limited	0.25 (NIL)				
<b>Investments :</b>					
Subscription to Equity	NIL				
Alkyl Amines Europe SPRL, Belgium	(4.32)				

Particulars	Subsidiary Companies	Associate Company	Key Managerial Personnel and their relatives	Entities over which Key Managerial Personnel has control	Enterprise on which relatives of Key Managerial Personnel has Control
			[with b (III) and b(IV) below]	[with b (V) below]	[with b (VI) below]
<b>Unsecured Loans :</b>					
Loan from Directors - Received					
Yogesh Kothari			1,575.00 (50.00)		
Kirat Patel			10.00 (5.00)		
Suneet Kothari			135.00 (NIL)		
Loan from Directors - Repaid					
Yogesh Kothari			1,350.00 (NIL)		
Kirat Patel			NIL (5.00)		
Suneet Kothari			61.00 (NIL)		
Inter Corporate Deposits – Received					
YMK Trading & Consultancy Private Limited				NIL (80.00)	
SYK Trading & Consultancy Private Limited				25.00 (NIL)	
Inter Corporate Deposits – Repaid					
YMK Trading & Consultancy Private Limited				44.50 (25.00)	
Interest – Paid					
YMK Trading & Consultancy Private Limited				22.37 (19.11)	
Others				2.86 (0.49)	
Kamiko Investment & Trading Private Limited					8.94 (9.71)
DSP HMK Holdings Private Limited					13.91 (15.16)
ADIKO Investment Private Limited					13.91 (15.16)
Yogesh Kothari			183.36 (129.85)		
Kirat Patel			1.77 (1.06)		
Suneet Kothari			7.96 (1.06)		
Dividend Received		69.48 (19.85)			
<b>Remuneration to key Managerial Personnel:</b>					
Yogesh Kothari			76.95 (83.44)		

Particulars	Subsidiary Companies	Associate Company	Key Managerial Personnel and their relatives	Entities over which Key Managerial Personnel has control	Enterprise on which relatives of Key Managerial Personnel has Control
			[with b (III) and b(IV) below]	[with b (V) below]	[with b (VI) below]
Kirat Patel			41.64 (44.54)		
Suneet Kothari			35.31 (38.90)		
Hemendra Kothari					
Sitting Fees			0.60 (0.15)		
Commission			1.92 (2.09)		
<b>Outstanding Balance As At March 31, 2011</b>					
Loans From Directors					
Yogesh Kothari			1,390.00 (1,165.00)		
Kirat Patel			20.00 (10.00)		
Suneet Kothari			84.00 (10.00)		
Inter Corporate Deposits Taken					
YMK Trading & Consultancy Private Limited				175.00 (219.50)	
Anjyko Investments Private Limited				25.00 (25.00)	
Niyoko Trading & Consultancy Private Limited				0.01 (0.01)	
SYK Trading & Consultancy Private Limited				25.00 (NIL)	
Kamiko Investment & Trading Private Limited					80.00 (80.00)
DSP HMK Holdings Private Limited					125.00 (125.00)
ADIKO Investment Private Limited					125.00 (125.00)
Investments		144.11 (144.11)			
Alkyl Speciality Chemicals Limited	81.91 (81.91)				
Alkyl Amines Europe SPRL, Belgium	8.24 (7.43)				
Debtors		NIL (2.67)			
Loans and Advances given	5.11 (4.90)	0.83 (55.53)			
Alkyl Amines Europe SPRL, Belgium					
Creditors and Other Liabilities	34.39 (42.45)				
Alkyl Speciality Chemicals Limited					

**b. Relationships:****I. Subsidiary Company:**

- i. Alkyl Speciality Chemicals Limited
- ii. Alkyl Amines Europe SPRL, Belgium

**II. Associate Company:**

- i. 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

**13. Disclosure on Leases as per Accounting Standard 19 on "Accounting for Leases":****a. 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 Profit and Loss Account under 'Rent' in Schedule 17.
- iii. Future minimum lease rental payable is as under:

Particulars	As At March 31, 2011 Rs in Lakhs	As At March 31, 2010 Rs in Lakhs
Within 1 year	9.60	9.60
After 1 year but before 5 years	3.20	12.80
After 5 years	NIL	NIL

- iv. Land taken on lease have been amortised over the respective lease period and Rs. 3.95 lakhs (Previous Year Rs. 3.68 lakhs) has been amortised during the year.

**14. Earnings Per Share as per Accounting Standard 20 :**

Particulars	For the Year ended March 31, 2011 Rs in Lakhs	For the Year ended March 31, 2010 Rs in Lakhs
<b>Numerator for Basic and diluted earnings per Share</b>		
Net Profit/ (Loss) after tax for the year before Preference Dividend	<b>1040.49</b>	1,003.68
Less :Preference Dividend and Tax thereon	<b>NIL</b>	NIL
Net Profit/ (Loss) after tax for the year (a)	<b>1040.49</b>	1,003.68
<b>Denominator for Basic and Diluted Earnings per Share</b>		
Weighted average number of Shares (b)	<b>1,01,98,196</b>	1,01,98,196
<b>Basic and Diluted Earnings per Share [(a) / (b)]</b>	<b>10.20</b>	9.84
Face value per Share	<b>Rs. 10</b>	Rs. 10

**15. Taxation:**

Deferred Tax:

As required by Accounting Standard 22 on "Accounting for Taxes on Income", Deferred Taxes have been recognised in respect of the following items:

Items of Timing Difference	Accumulated Deferred Tax (Assets) / Liabilities As At April 1, 2010	Charge / (Credit) during the Year ended March 31, 2011	Accumulated Deferred Tax (Assets) / Liabilities As At March 31, 2011
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Deferred Tax Liabilities</b>			
Related to Fixed Assets	1,860.74	*(141.75)	<b>1718.99</b>
<b>Deferred Tax Assets</b>			
Provision for doubtful debts and advances	(63.21)	5.04	<b>(58.17)</b>
Provision for Gratuity	(52.69)	(8.55)	<b>(61.24)</b>
Provision for Leave Encashment	(22.01)	(1.29)	<b>(23.30)</b>
Disallowance under section 43B	(2.00)	0.12	<b>(1.88)</b>
<b>Net Deferred Tax (Assets) / Liabilities</b>	<b>1720.83</b>	<b>(146.43)</b>	<b>1,574.40</b>

\* Includes Rs. 77.15 lakhs reduction of Deferred Tax Liabilities on account of the excess depreciation charged in earlier years. (Refer Note 3 to Accounts of this Schedule)

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

Particulars	As At April 1, 2010 Rs. in Lakhs	Additions during the year Rs. in Lakhs	Amount paid/reversed during the year Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs
Leave Encashment	66.27	15.59	10.05	<b>71.81</b>
Gratuity	247.12	53.40	19.70	<b>280.82</b>
Proposed Dividend	305.95	305.95	305.95	<b>305.95</b>
Tax on Proposed Dividend	52.00	50.81	52.00	<b>50.81</b>

Particulars	As At April 1, 2009 Rs. in Lakhs	Additions during the year Rs. in Lakhs	Amount paid/reversed during the year Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
Leave Encashment	57.15	16.64	7.52	66.27
Gratuity	159.82	96.75	9.45	247.12
Proposed Dividend	203.96	305.95	203.96	305.95
Tax on Proposed Dividend	34.66	52.00	34.66	52.00

#### 17. Financial and Other Derivative Instruments :

- a. 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, 2011		Balance As At March 31, 2010	
		In Foreign Currency	Rs. in Lakhs	In Foreign Currency	Rs. in Lakhs
Forward Contracts for Export Debtors	US \$	1,00,000	4.74	1,50,000	66.98
	Euro	NIL	NIL	NIL	NIL
Forward Contracts for Import Creditors	US \$	2,98,920	137.62	3,55,000	401.01
	Euro	42,000	27.02	45,000	27.47
Forward Contracts for FCNR (B) Loan	US \$	22,50,000	1,043.33	8,86,328	399.36
Buyers' Credits	US\$	5,39,080	251.32	5,35,000	241.06
	Euro	2,20,000	141.14	NIL	NIL

- b. Foreign Currency exposure that are not hedged by the derivative instruments:

Particulars		Balance As At March 31, 2011		Balance As At March 31, 2010	
		In Foreign Currency	Rs. in Lakhs	In Foreign Currency	Rs. in Lakhs
Export Debtors	US \$	17,72,469.58	784.21	6,16,484	275.29
	Euro	3,65,721.55	228.66	5,55,727	333.03
Import Creditors	US \$	2,70,976.32	121.43	89,084	40.14
	Euro	2441.40	1.55	11,627	7.10
Interest on FCNR(B) Loan Payable	US \$	11,551.00	5.18	950	0.43
Buyers' Credits	US \$	2,52,505.55	113.15	1,33,313	60.06
	Euro	59,390.00	37.82	NIL	NIL

All outstanding derivatives are marked to market on the balance sheet date and accordingly, mark to market profit of Rs. 46.81 Lakhs (Previous Year profit of Rs. 23.38 Lakhs) has been recognised.

**18. ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF THE PARAGRAPHS 3, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956**
**a. Sales**

	Particulars		For the Year ended March 31, 2011		For the Year ended March 31, 2010	
			Quantity	Value	Quantity	Value
				Rs. in Lakhs		Rs. in Lakhs
i.	Speciality Chemicals	M.T.	23,171.05	25,249.59	21,151.90	22,865.66
ii.	Industrial Gases	M3	9,87,558	225.96	12,54,898	299.87
	<b>Total</b>			25,475.55		23,165.53

**b. Finished Stocks  
Opening Stock**

	Particulars		For the Year ended March 31, 2011		For the Year ended March 31, 2010	
			Quantity	Value	Quantity	Value
				Rs. in Lakhs		Rs. in Lakhs
i.	Speciality Chemicals	M.T.	1,669.13	1,512.94	2,672.11	2,617.19
ii.	Industrial Gases	M3	6,537	0.15	NIL	NIL
	<b>Total</b>			1,513.09		2,617.19

**Closing Stock**

	Particulars		For the Year ended March 31, 2011		For the Year ended March 31, 2010	
			Quantity	Value	Quantity	Value
				Rs. in Lakhs		Rs. in Lakhs
i.	Speciality Chemicals	M.T.	1,856.68	2,064.38	1,669.13	1,512.94
ii.	Industrial Gases	M3	1,953	0.43	6,537	0.15
	<b>Total</b>			2,064.81		1,513.09

**c. Capacities and Production**
**i. Licensed and Registered Capacity\***

Particulars		For the Year ended March 31, 2011	For the Year ended March 31, 2010
Speciality Chemicals	M.T.	N.A.	N.A.
Industrial Gases	M3	N.A.	N.A.

\* The company product do not require any licenses, hence not applicable

ii **Installed Capacity**  
(As certified by Management)

Particulars		For the Year ended March 31, 2011	For the Year ended March 31, 2010
Specialty Chemicals	M.T.	38,115.00	38,115.00
Industrial Gases	M3	48,00,000	48,00,000

iii **Actual Production**

Particulars		For the Year ended March 31, 2011	For the Year ended March 31, 2010
Speciality Chemicals	M.T.	36,220.88	29,331.11
Industrial Gases	M3	22,77,240	24,54,558

d. **Captive Consumption**

Particulars		For the Year ended March 31, 2011	For the Year ended March 31, 2010
Speciality Chemicals	M.T.	12,862.28	9,182.19
Industrial Gases	M3	12,94,266	11,93,123

e. **Cost of Materials**

i. **Raw Material Consumed\***

Particulars		For the Year ended March 31, 2011		For the Year ended March 31, 2010	
		Quantity	Value	Quantity	Value
			Rs. in Lakhs		Rs. in Lakhs
Alcohols	KL	39,492.78	8,478.32	33,967.52	7,387.37
Industrial Gases	M3	3,07,823.48	1,128.36	1,67,579.65	885.25
Others			2,574.83		2,259.35
<b>Total</b>			<b>12,181.51</b>		<b>10,531.97</b>

\* Consumption of Raw Materials includes cost of Raw Materials sold.

**ii. Consumption of Imported / Indigenous Materials**

Particulars	For the Year ended March 31, 2011		For the Year ended March 31, 2010	
	Percentage	Value	Percentage	Value
		Rs. in Lakhs		Rs. in Lakhs
Imported-Raw Materials	19.92%	2,426.70	26.49%	2,789.62
Indigenous-Raw Materials	80.08%	9,754.81	73.51%	7,742.35
<b>Total</b>		<b>12,181.51</b>		<b>10,531.97</b>

**f. Stores and Spares Consumed**

Particulars	For the Year ended March 31, 2011		For the Year ended March 31, 2010	
	Percentage	Value	Percentage	Value
		Rs. in Lakhs		Rs. in Lakhs
Imported	3.34%	26.33	0%	NIL
Indigenous	96.66%	761.47	100%	395.63
<b>Total</b>		<b>787.80</b>		<b>395.63</b>

**g. Value of Imports calculated on C.I.F basis**

Particulars	For the Year ended March 31, 2011 (Rs in Lakhs)	For the Year ended March 31, 2010 (Rs in Lakhs)
Raw Materials	2,477.64	1,806.23
Stores and Spares	307.08	3.42
<b>Total</b>	<b>2,784.72</b>	<b>1,809.65</b>

## h. Expenditure in Foreign Currency

Particulars	For the Year ended March 31, 2011 (Rs in Lakhs)	For the Year ended March 31, 2010 (Rs in Lakhs)
a. Interest on		
Term Loan	46.21	58.51
Buyers Credit	12.63	NIL
Packing Credit in Foreign Currency	44.19	15.93
Others	NIL	12.56
b. Bank Charges	15.89	5.13
c. Others		
Commission on Exports	41.80	78.80
Professional Fees	14.61	24.73
Membership and Subscription	9.27	0.87
Legal charges	4.24	NIL
License and Registration	1.62	NIL
Testing charges	0.90	NIL
Advertising	NIL	0.09
<b>TOTAL</b>	<b>191.36</b>	<b>196.60</b>

## i. Earnings in Foreign Currency

Particulars	For the Year ended March 31, 2011 (Rs in Lakhs)	For the Year ended March 31, 2010 (Rs in Lakhs)
Export of Goods at F.O.B. value	4,678.09	4,073.26
Other Income	1.14	7.74
<b>TOTAL</b>	<b>4,679.23</b>	<b>4,081.00</b>

19. The previous year's figures, wherever necessary, have been regrouped, reclassified and recast to conform to the current year's classification. Figures in bracket indicate those of previous 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 31, 2011

**K. P. RAJAGOPALAN**  
General Manager (Secretarial & Legal)  
Place : Mumbai  
Dated : May 31, 2011

For and on behalf of the Board of Directors  
**YOGESH M. KOTHARI**  
Chairman & Managing Director

**KIRAT PATEL**  
Executive Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

## I. Registration Details

Registration No.	:	21796	State Code	:	11
Balance Sheet Date	:	31.03.2011			

## II. Capital Raised during the year (Amount in Rupees Thousand)

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

## III. Position of Mobilisation and Deployment of Funds (Amount in Rupees Thousand)

Total Liabilities	:	2477694	Total Assets	:	2477694
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**Sources of Funds****Application of Funds**

Paid-up Capital	:	102062	Net Fixed Assets	:	1217190
Reserves & Surplus	:	662557	Investments	:	23427
Secured Loans	:	845366	Current Assets, Loans & Advances	:	1237077
Unsecured Loans	:	355344	Misc. Expenditure	:	NIL
Deferred Taxation (Net)	:	157440	Accumulated Losses	:	NIL
Current Liabilities & Provisions	:	354925			

## IV. Performance of Company (Amount in Rupees Thousand)

Turnover	:	2326787
Other Income	:	49877
Total Expenditure	:	2234957
Profit before tax	:	141707
Profit after tax	:	109687
Earning per Share (Basic)	:	10.20
Earning per Share (Diluted)	:	10.20
Dividend Rate (Equity)	:	30%

## V. Generic Names of Principal Products of the Company (As per monetary terms)

Item Code No. (ITC Code)	:	2921
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Aliphatic Amines &amp; its derivatives

For and on behalf of the Board of Directors

**YOGESH M. KOTHARI**

Chairman &amp; Managing Director

**K. P. RAJAGOPALAN**

General Manager (Secretarial &amp; Legal)

Place : Mumbai

Dated : May 31, 2011

**KIRAT PATEL**

Executive Director

CONSOLIDATED FINANCIAL STATEMENTS  
FINANCIAL HIGHLIGHTS - YEAR 2010-2011

(Rs in Lakhs)

PARTICULARS	Alkyl Amines	Alkyl Speciality	Alkyl Amines	Diamines and
	Chemicals Ltd.	Chemicals Ltd.	Europe Sprl	Chemicals Ltd.
Status of Investee	-	Subsidiary	Subsidiary	Associate
% of Holding of AACl(Approx.)	-	Company	Company	Company
Share Capital	1020.62	100%	100%	30.44%
Reserves & Surplus	8199.97	163.83	8.25	652.22
		51.10	-	2785.58
[Including Deferred Taxation (Net)]				
Debit Balance of Profit & Loss A/c.	-	(135.25)	(8.67)	-
Total Assets	21227.69	214.93	(1.82)	6163.05
Total Liabilities	21227.69	214.93	(1.82)	6163.05
Investments	234.27	-	-	9.67
Gross Turnover/Other Income	26058.24	6.34	10.96	9119.78
Operating Profit(PBIDT)	3350.81	(2.11)	1.92	2551.41
Profit Before Tax	1417.07	(2.11)	1.92	2028.44
Provision For Taxation	320.20	(0.63)	-	557.44
Prior Period Item	(56.38)	(2.94)	-	-
Profit After Tax	1040.49	(5.68)	1.92	1471.00
Proposed Dividend	30%	-	-	(60% including Interim Dividend)

Exchange rate:  
EURO=Rs.63.24

**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 subsidiaries, (collectively referred to as "the Group") as at March 31, 2011 and also the Consolidated Profit and Loss Account 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 negative net assets of Rs. 1.82 lakhs as at March 31, 2011, total revenue of Rs. 10.95 lakhs and net cash inflows of Rs. 4.38 lakhs. The financial statements of the subsidiary as drawn as on December 31, 2010 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 subsidiary and on consideration of the report on separate Financial Statements of the associate, subject to the qualification as stated regarding advances received from/other payable to customers being subject to confirmation and consequent adjustments if any, which are not ascertained at this stage 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 statement 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, 2011;
  - b. In the case of the Consolidated Profit and Loss Account, 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 31, 2011

**BALANCE SHEET AS AT MARCH 31, 2011**

	Schedule	Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
<b>SOURCES OF FUNDS :</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	1,020.62		1,020.62
Reserves and Surplus	2	<u>7,504.13</u>		<u>6,386.93</u>
			<b>8,524.75</b>	7,407.55
<b>Loan Funds</b>				
Secured Loans	3	8,453.66		8,128.81
Unsecured Loans	4	<u>3,553.44</u>		<u>3,229.07</u>
			12,007.10	11,357.88
<b>Deferred Tax Liability (Net)</b>			1,574.40	1,720.83
<b>Total</b>			<b><u>22,106.25</u></b>	<u>20,486.27</u>
<b>APPLICATION OF FUNDS :</b>				
<b>Fixed Assets</b>				
Gross Block	5	18,016.36		17,493.70
Less : Accumulated Depreciation		<u>8,224.29</u>		<u>7,644.13</u>
Net Block		9,792.07		9,849.57
Capital work-in-progress		<u>2,379.83</u>		<u>1,352.59</u>
			<b>12,171.90</b>	11,202.16
<b>Investments</b>	6		<b>1,034.96</b>	596.32
<b>Current Assets , Loans and Advances</b>				
Inventories	7	5,631.62		5,562.23
Sundry Debtors	8	4,732.87		3,887.68
Cash and Bank Balances	9	147.29		340.93
Loans and Advances	10	1,906.20		2,261.04
		<u>12,417.98</u>		<u>12,051.87</u>
<b>Less : Current Liabilities and Provisions</b>				
Current Liabilities	11	2,901.27		2,781.25
Provisions	12	617.32		582.84
		<u>3,518.59</u>		<u>3,364.09</u>
<b>Net Current Assets</b>			<b>8,899.39</b>	8,687.79
<b>Total</b>			<b><u>22,106.25</u></b>	<u>20,486.27</u>
<b>Significant Accounting Policies</b>	20			
<b>Notes to Accounts</b>	21			

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 31, 2011

**K. P. RAJAGOPALAN**  
General Manager (Secretarial & Legal)  
**Place :** Mumbai  
**Dated :** May 31, 2011

For and on behalf of the Board of Directors  
**YOGESH M. KOTHARI**  
Chairman & Managing Director

**KIRAT PATEL**  
Executive Director

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED MARCH 31, 2011**

	Schedule	Rs. in Lakhs	For the Year ended on March 31, 2011 Rs. in Lakhs	For the Year ended on March 31, 2010 Rs. in Lakhs
<b>INCOME</b>				
Sales (Gross) Less Returns		25,475.55		23,165.53
Less : Excise Duty and Sales Tax on Sales		2,291.60		1,785.54
Sales (Net) Less Returns			23,183.95	21,379.99
Miscellaneous Sales			83.92	120.73
Other Income	13		501.66	465.51
<b>Total</b>			<b>23,769.53</b>	<b>21,966.23</b>
<b>EXPENDITURE</b>				
Cost of Materials	14		12,316.32	11,921.65
Manufacturing Expenses	15		5,571.19	4,315.05
Employee Cost	16		1,173.33	1,067.82
Selling and Administrative Expenses	17		1,155.78	918.52
Interest and finance cost	18		1,032.26	1,203.92
Research and Development Expenses	19		202.30	96.85
Depreciation	5		901.48	852.72
<b>Total</b>			<b>22,352.66</b>	<b>20,376.53</b>
<b>PROFIT BEFORE TAX</b>			<b>1,416.87</b>	<b>1,589.70</b>
<b>LESS :</b>				
Provision for Taxation				
Current		541.00		579.00
Deferred		(146.43)		(105.49)
Current tax adjustments of earlier years		(73.74)		11.56
			320.83	485.07
<b>PROFIT AFTER TAX</b>			<b>1,096.04</b>	<b>1,104.63</b>
Share of Profit of Associate Company			358.84	173.45
			<b>1,454.88</b>	<b>1,278.08</b>
(Less) / Add : Prior period items			(59.32)	(103.68)
<b>PROFIT AFTER TAXES AND SHARE OF PROFIT OF ASSOCIATE</b>			<b>1,395.56</b>	<b>1,174.40</b>
Balance brought forward from the previous year			2,350.46	1,635.01
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>			<b>3,746.02</b>	<b>2,809.41</b>
<b>APPROPRIATIONS :</b>				
General Reserve			105.00	101.00
Proposed Dividend			305.95	305.95
Tax on Dividend			50.81	52.00
			<b>461.76</b>	<b>458.95</b>
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b>3,284.26</b>	<b>2,350.46</b>
<b>Basic and Diluted Earnings Per Share of Rs. 10</b>			<b>13.68</b>	<b>11.52</b>
<b>Significant Accounting Policies</b>	20			
<b>Notes to Accounts</b>	21			

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 31, 2011

For and on behalf of the Board of Directors

**YOGESH M. KOTHARI**

Chairman & Managing Director

**K. P. RAJAGOPALAN**

General Manager (Secretarial & Legal)

Place : Mumbai

Dated : May 31, 2011

**KIRAT PATEL**

Executive Director

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2011**

	For the Year ended on March 31 2011 (Rs. in Lakhs)	For the Year ended on March 31 2010 (Rs. in Lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	1,416.87	1,589.70
<b>Adjustments for :</b>		
Loss on sale of Fixed Assets	11.09	6.09
Assets written off	103.18	NIL
Depreciation	916.78	866.94
Interest expense	1,032.26	1,203.93
Unrealised loss(gain) on Foreign Exchange	(28.09)	34.51
Provision for Bad and Doubtful Debts	43.39	36.24
Dividend Income	(69.49)	(19.85)
Effect of exchange fluctuation on foreign currency translation reserve	(1.40)	NIL
Prior Period Items	(59.32)	(103.68)
Interest on Deposits and Others	(30.63)	(25.13)
<b>Operating Profit before working capital changes</b>	<b>3,334.64</b>	<b>3,588.75</b>
<b>Adjustments for :</b>		
Trade and Other Receivables	(741.52)	(6.61)
Inventories	(69.39)	1,688.96
Trade Payables and Other Provisions	155.69	(370.15)
<b>Cash generated from Operations</b>	<b>2,679.42</b>	<b>4,900.95</b>
Income Tax paid	(231.41)	(571.55)
<b>Net cash from operating activities</b>	<b>2,448.01</b>	<b>4,329.40</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,018.87)	(1,075.95)
Sale of Fixed Assets	18.09	6.32
Dividend income	69.49	19.85
Interest on Deposits and Others	30.63	25.13
<b>Net cash from investing activities</b>	<b>(1900.66)</b>	<b>(1024.65)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Deferred Sales Tax Payment	(20.18)	(47.47)
Proceeds from long term Bank borrowings	698.26	(1,629.43)
Increase/Decrease of Cash/export Credit and	(28.86)	(292.59)
Interest paid	(1,032.26)	(1,253.94)
Dividend paid (including Dividend Distribution Tax)	(357.95)	(238.63)
<b>Net cash from financing activities</b>	<b>(740.99)</b>	<b>(3462.06)</b>
<b>Increase in cash and cash equivalents (A+B+C)</b>	<b>(193.64)</b>	<b>(157.31)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>340.93</b>	<b>498.24</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>147.29</b>	<b>340.93</b>

Notes:

- The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3.
- Cash and cash equivalents includes cash, bank balances and fixed deposits with banks .
- Cash and Cash Equivalents include Balance on Margin Accounts of Rs. 17.28 lakhs (Previous Year Rs. 36.76 lakhs) and Bank Balances maintained for Unpaid Dividend amounts of Rs. 16.96 lakhs (Previous Year Rs. 14.53 lakhs).
- 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 31, 2011

For and on behalf of the Board of Directors

**YOGESH M. KOTHARI**

Chairman & Managing Director

**K. P. RAJAGOPALAN**

General Manager (Secretarial & Legal)

Place : Mumbai

Dated : May 31, 2011

**KIRAT PATEL**

Executive Director

**SCHEDULES TO THE BALANCE SHEET  
AS AT MARCH 31, 2011**

Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,50,00,000 Equity Shares of Rs.10 each	1,500.00	1,500.00
15,00,000 Cumulative Redeemable Preference Shares of Rs.100 each	1,500.00	1,500.00
	<u>3,000.00</u>	<u>3,000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
10,198,196 (10,198,196) Equity Shares of Rs.10 each fully paid	1,019.82	1,019.82
Add: Shares forfeited	0.80	0.80
	<u>1,020.62</u>	<u>1,020.62</u>
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>		
Revaluation Reserve (Of the Associate Company)		
Transferred from General reserve	102.42	
(Refer Note 2 to Accounts under Schedule 21)		
Less: Transferred to Profit and Loss Account	3.24	
		99.18
Capital Reserve		142.68
As per last Balance Sheet		142.68
Capital Redemption Reserve		25.00
As per last Balance Sheet		25.00
Securities Premium		1,290.97
As per last Balance Sheet		1,290.97
Foreign Currency Translation Reserve		(1.40)
(Refer Note 3 to Accounts under Schedule 21)		NIL
General Reserve		
As per last Balance Sheet	2,577.82	2,476.82
Less: Opening Adjustments		
(Refer Note 4 to Accounts under Schedule 21)	255.00	NIL
Add : Transfer from Profit and Loss Account	105.00	101.00
		<u>2,427.82</u>
Profit and Loss Account		
As per Account Annexed	3284.26	
Add/(Less) : Opening Adjustments (Refer Note 4 to Accounts under Schedule 21)	235.62	
		<u>3519.88</u>
	<u>7504.13</u>	<u>6386.93</u>

	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 3 : SECURED LOANS</b>		
From Financial Institutions		
Term Loans	1,653.00	633.00
From Banks		
Cash Credit Facilities/Working Capital Demand Loan	4,621.54	4,650.40
Buyers' Credits	532.65	301.13
Term Loans	1,570.25	2,519.45
Vehicle Loans (See note 4 below)	66.01	14.35
From Others		
Vehicle Loans (See note 4 below)	10.21	10.48
	<u>8,453.66</u>	<u>8,128.81</u>

1. Cash Credits/Working Capital Demand Loan from State Bank of India, Bank of Baroda 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, as well as by the second mortgage of the specified immovable properties of the Company. The process of creation of security for the working capital facility from Standard Chartered Bank is in progress.
2. Term loans from Financial Institutions / Banks 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.
3. The Company has availed of a Term Loan of Rs.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 2 (a) above and also a second charge by way of hypothecation of Raw Material Inventory, Book Debts, movable Machinery etc.
4. Vehicle Loans are secured against specified assets.
5. Amounts due within one year  
 Term Loans : Rs. 1,045.96 Lakhs (Rs. 949.21 Lakhs)  
 Other Loans : Rs. 23.78 Lakhs (Rs. 19.08 Lakhs)

**SCHEDULE 4 : UNSECURED LOANS**

<b>Long Term Loans and Advances</b>		
From Directors	1,235.00	NIL
From Intercorporate Deposits	967.50	NIL
	<u>2,202.50</u>	<u>NIL</u>
<b>Short Term Loans and Advances</b>		
From Directors	259.03	1,185.00
From Others (Intercorporate Deposit)	100.52	1,032.50
	<u>359.55</u>	<u>2,217.50</u>
<b>Other Loans and Advances</b>		
From Directors	NIL	NIL
Sales Tax Deferral under the Package Scheme of Incentives, 1988 *	NIL	20.18
Sales Tax Deferral under the Package Scheme of Incentives, 1993 **	991.39	991.39
	<u>3,553.44</u>	<u>3,229.07</u>

\* Is in respect of Patalganga Unit to be repayable in 5 equal installments beginning from April 30, 2003. The amount payable within the next twelve months is Rs. Nil. (Rs.20.18 lakhs)

\*\* Is in respect of Kurkumbh Unit for which the Schedule of repayment has not yet been intimated.

Rupees. in Lakhs

**SCHEDULE 5 : FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK			
	As At April 01, 2010	Adjustment due to reclassification	Additions	During the year For Sale/ Adjustment	As At March 31, 2011	Upto March 31, 2010	Adjustment due to reclassification	Upto March 31, 2011	As At March 31, 2011	As At March 31, 2010
Freehold Land	1.15	-	-	-	1.15	-	-	-	1.15	1.15
Leasehold Land (Note 1)	303.20	-	-	-	303.20	47.94	-	51.88	251.32	255.26
Buildings	2,085.61	412.25	56.71	12.36	2,542.21	576.55	110.26	716.66	1,825.55	1,509.06
Plant, Machinery and Equipments (Note 2)	13,771.95	(656.18)	758.65	113.39	13,761.03	6,307.32	(188.28)	89.28	6,940.70	7,464.63
Furniture and Fixtures	104.15	2.31	1.47	11.48	96.45	76.33	1.81	9.75	22.36	27.82
Office Equipments	415.78	0.94	12.68	181.05	248.35	293.30	(0.16)	173.75	94.01	122.49
Electrical Installations	434.63	174.74	-	4.69	604.68	194.76	37.13	3.29	358.77	239.87
Electrical Equipments	40.29	7.03	-	5.53	41.79	15.00	1.34	4.42	26.69	25.29
Vehicles	128.46	2.83	97.80	67.71	161.38	59.41	1.22	42.93	130.14	69.05
<b>Research and Development (R &amp; D) Assets</b>										
Tangible Assets	-	-	-	-	-	-	-	-	-	-
Plant, Machinery and Equipments	97.01	63.71	0.60	11.58	149.74	33.35	37.55	10.76	84.77	63.66
Furniture and Fixtures	52.18	(0.37)	-	-	51.81	28.03	(0.22)	3.30	20.70	24.15
Office Equipments	17.72	(11.18)	0.96	-	7.50	4.67	(1.43)	0.85	3.41	13.05
Electrical Installations	-	0.37	-	-	0.37	-	0.22	-	0.16	0.21
Electrical Equipments	5.94	3.56	-	-	9.50	1.90	0.56	-	2.69	4.04
Vehicles	12.15	-	-	-	12.15	1.05	-	-	2.20	11.10
Intangible Assets	23.48	-	1.57	-	25.05	4.52	-	-	15.53	18.96
<b>TOTAL (A)</b>	<b>17,493.70</b>	-	<b>930.44</b>	<b>407.79</b>	<b>18,016.36</b>	<b>7,644.13</b>	-	<b>916.78</b>	<b>8,224.29</b>	<b>9,792.07</b>
<b>CAPITAL WORK IN PROGRESS</b> (Includes Capital Advances)										
Other than R & D Assets	1,225.80	-	1,951.69	930.22	2,247.27	-	-	-	2,247.27	1,225.80
Tangible	126.79	-	67.18	61.41	132.56	-	-	-	132.56	126.79
Intangible	<b>1,352.59</b>	-	<b>2,018.87</b>	<b>991.63</b>	<b>2,379.83</b>	-	-	-	<b>2,379.83</b>	<b>1,352.59</b>
<b>GRAND TOTAL (A+B)</b>	<b>18,846.29</b>	-	<b>2,949.31</b>	<b>1,399.42</b>	<b>20,396.19</b>	<b>7,644.13</b>	-	<b>916.78</b>	<b>8,224.29</b>	<b>11,202.17</b>
Previous year	17,787.74	-	** 1629.46	** 570.91	18,846.29	6,782.16	-	866.96	7,644.13	11,202.16

**Notes :**

- The Lease Deed from MIDC in respect of Plot Nos. D-6/2, R-1 and R-2 of the value of Rs.131.13 lakhs is yet to be executed.
  - Plant, Machinery and Equipments include Rs.390.87 Lakhs (Rs.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.
  - Adjustments to Capital Work-in-Progress represent capitalisation to Fixed Assets.
  - Borrowing Costs Capitalised during the year Rs.133.87 Lakhs (Rs.58.13 Lakhs).
  - As regards adjustment due to reclassification, refer Note 3 to Accounts under Schedule 21.
- \*\*i. Roads with the Gross Block of Rs.45.09 lakhs and the Accumulated Depreciation of Rs. 0.58 lakhs are transferred to Buildings and reflected in the column of "Additions" and "Depreciation-Withdrawal for Sale/Adjustment", respectively.
- ii. Pilot Plant at Kurkumbh with the Gross Block of Rs. 39.81 Lakhs and the Accumulated Depreciation of Rs. 14.69 lakhs are recognised as R & D Assets-Plant, Machinery and Equipments

	Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 6 : INVESTMENTS</b>			
NON-TRADE			
Long Term			
Quoted			
Equity Investments in Associates (Diamines and Chemicals Limited)		144.11	144.11
1,985,331 (Prevoius Year 1,985,331) Equity Shares of Rs.10 each			
Add: Share of Post Acquisition Profits		890.85	452.21
		<u>1,034.96</u>	<u>596.32</u>
Aggregate Market Value of Quoted Investments		<u>1,448.28</u>	<u>957.91</u>
<b>SCHEDULE 7 : INVENTORIES</b>			
(Taken, Valued and Certified by Management)			
Stock in Trade :			
Raw Materials		808.00	1,422.81
Packing Materials		63.22	48.47
Store, Spares, Furnace Oil, etc.		1,492.70	1,627.48
Stock in Progress		1,200.68	946.22
Finished Goods		2,067.02	1,517.25
		<u>5,631.62</u>	<u>5,562.23</u>
<b>SCHEDULE 8 : SUNDRY DEBTORS</b>			
Unsecured and Considered Good			
- For a period exceeding six months	2.38		84.21
- Others debts	4,730.49		3,803.47
		4,732.87	3,887.68
Considered doubtful			
- For a period exceeding six months	159.44		194.02
Less : Provision for Doubtful Debts	159.44		194.02
		NIL	NIL
		<u>4,732.87</u>	<u>3,887.68</u>
<b>SCHEDULE 9 : CASH AND BANK BALANCES</b>			
Cash on Hand		2.06	3.59
Balance with Scheduled Banks			
- On Current Accounts	123.80		296.60
- On Deposit Accounts	21.43		40.74
		<u>145.23</u>	<u>337.34</u>
		<u>147.29</u>	<u>340.93</u>

	Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 10 : LOANS AND ADVANCES</b>			
[Unsecured, Considered Good unless stated otherwise]			
Advances recoverable in cash or in kind for value to be received	922.15		909.28
For a period exceeding six months	11.06		11.06
Less : Provision for Doubtful Debts	11.06		11.06
		922.15	909.28
Balances with Excise and Service Tax Authorities		465.05	683.66
Advance to Suppliers			
Considered good	252.40		184.71
Considered doubtful	15.22		5.94
Less : Provision for doubtful advances	15.22		5.94
		252.40	184.71
MAT Credit Available		1.90	1.90
Taxes Paid	1,728.29		1,632.87
Less : Provision for Taxes	1,615.41		1,284.16
		112.88	348.73
Deposits (including intercorporate deposits)			
Considered good	151.82		132.76
Considered doubtful	4.64		5.91
Less : Provision for doubtful advances	4.64		5.91
		151.82	132.76
		<b>1,906.20</b>	<b>2,261.04</b>
<b>SCHEDULE 11 : CURRENT LIABILITIES</b>			
Sundry Creditors			
Micro and Small Enterprise (Refer Note 7 to Schedule 21)	61.52		24.60
Others			
- For Capital Expenses	85.17		64.55
- For Goods/Expenses	2,079.57		2,132.97
		2,226.26	2,222.12
Other Liabilities		627.54	514.88
Interest accrued but not due on loans		30.51	28.89
Unclaimed Dividend*		16.96	14.53
Book Overdraft		NIL	0.83
		<b>2,901.27</b>	<b>2,781.25</b>
*In respect of the amounts mentioned under Section 205C of the Companies Act, 1956 there are no dues that are to be credited to Investor Education and Protection Fund as at March 31, 2011 (March 31, 2010 : Rs. Nil).			
<b>SCHEDULE 12 : PROVISIONS</b>			
(Refer Note 13 to Schedule 21)			
For Gratuity		188.75	158.63
For Leave Encashment		71.81	66.27
For Proposed Dividend		305.95	305.95
For Tax on Dividend		50.81	51.99
		<b>617.32</b>	<b>582.84</b>

**SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED ON MARCH 31, 2011**

	Rs. in Lakhs	For the Year ended on March 31, 2011 Rs. in Lakhs	For the Year ended on March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 13 : OTHER INCOME</b>			
Toll Income		258.14	211.13
Export Incentives		55.37	44.03
Insurance Claims		3.99	39.73
Dividend Income		69.49	19.85
Interest on Deposits and Others		30.63	25.14
(Tax deducted at source Rs. 1.24 lakhs) (Previous year Rs. 2.06 lakhs)			
Amounts/Excess Provision written back		75.02	92.76
Miscellaneous Income		9.02	32.89
		<b>501.66</b>	<b>465.53</b>
<b>SCHEDULE 14 : COST OF MATERIALS</b>			
Raw Materials			
Opening Stock	1,422.81		1,775.85
Add: Purchases	11,566.69		10,178.97
	12,989.50		11,954.82
Less: Closing Stock	808.00		1,422.81
		12,181.50	10,532.01
Packing Materials			
Opening Stock	48.47		82.67
Add: Purchases	903.65		583.10
	952.12		665.77
Less: Closing Stock	63.22		48.47
		888.90	617.30
(Accretion)/Decretion of Stocks			
Finished Goods and Stock in Process			
Closing Stock			
Finished Goods	2,067.02		1,517.25
Stock in process	1,200.68		946.22
	3,267.70		2,463.47
Less : Opening Stock			
Finished Goods	1,517.25		2,617.19
Stock in process	946.22		653.44
	2,463.47		3,270.63
		(804.23)	807.16
Excise Duty Provision on Finished Goods			
Closing Stock	192.82		(142.67)
Less : Opening Stock	(142.67)		177.47
		50.15	(34.80)
		<b>12,316.32</b>	<b>11,921.67</b>

	Rs. in Lakhs	For the Year ended on March 31, 2011 Rs. in Lakhs	For the Year ended on March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 15 : MANUFACTURING EXPENSES</b>			
Stores and Spares Consumed		787.80	395.63
Power, Fuel and Water Charges		3,766.16	3,095.37
Process Charges		440.85	364.62
Cogen and Boiler Expenses (Refer Note 9 of Schedule 21)		183.37	221.30
Testing Charges		29.20	18.36
Hire Charges		14.89	8.35
Repairs and Maintenance :			
Building	38.82		20.20
Plant and Machinery	188.23		72.69
Others	82.56		77.19
		309.61	170.08
Insurance		39.31	41.34
		<b>5,571.19</b>	<b>4,315.05</b>
<b>SCHEDULE 16 : EMPLOYEE COST</b>			
Directors' Remuneration		146.95	189.07
Salaries, Wages and Benefits		732.02	670.05
Contribution to Provident Fund and Other Funds		71.95	63.49
Staff Welfare Expenses		155.75	113.55
Labour Charges		60.03	29.34
Recruitment Charges		6.63	2.33
		<b>1,173.33</b>	<b>1,067.83</b>
<b>SCHEDULE 17 : SELLING AND ADMINISTRATIVE EXPENSES</b>			
<b>SELLING EXPENSES</b>			
Sales Promotion Expenses		17.04	12.34
Sales Tax Expenses		1.63	56.40
Export Expenses		410.41	235.66
Advertisement		6.81	6.04
Freight and Forwarding		120.97	31.73
Discount Allowed		3.98	0.03
Commission on Sales		96.74	129.36
		<b>657.58</b>	<b>471.56</b>

	Rs. in Lakhs	For the Year ended on March 31, 2011 Rs. in Lakhs	For the Year ended on March 31, 2010 Rs. in Lakhs
<b>ADMINISTRATIVE EXPENSES</b>			
Rent		5.56	10.14
Rates and Taxes		18.25	7.68
Electricity Charges		16.21	15.81
Directors' Sitting Fees		9.06	1.94
Commission to Other Directors		15.39	16.69
Security Charges		39.75	34.65
Professional Charges		96.26	68.32
Auditors' Remuneration			
Audit Fees	8.91		8.48
Tax Audit Fees	2.15		1.90
Taxation Matters	0.48		0.57
Certification Work	1.80		1.20
		13.34	12.15
Printing and Stationery		15.45	13.27
Postage and Telegrams		33.65	30.35
Travelling and Conveyance		39.11	43.67
Donations		9.94	10.04
Wealth Tax		0.34	0.25
Foreign Exchange Loss ( Net )		6.91	57.22
Loss on Sale/Scrap of Assets		10.77	6.09
Bad Debts Written Off	61.03		NIL
Add : Provision for Doubtful Debts/ Deposits/Advances written off	44.82		36.24
Less: Provison for Doubtful Debts/ Deposits/Advances no longer required	62.46		NIL
		43.39	36.24
Fixed Assets Written Off		42.37	NIL
Amounts Written Off		25.65	33.66
Miscellaneous Expenses		56.80	48.79
		<u>498.20</u>	<u>446.96</u>
		<b>1,155.78</b>	<b>918.52</b>
<b>SCHEDULE 18 :</b>			
<b>INTEREST AND OTHER FINANCE COST</b>			
Interest			
On Cash Credit Facilities	274.27		430.69
On Banks Lendings	294.98		359.35
On Others	341.22		274.19
		910.47	1,064.23
Bank Charges		121.79	139.69
		<u>1,032.26</u>	<u>1,203.92</u>

	Rs. in Lakhs	For the Year ended on March 31, 2011 Rs. in Lakhs	For the Year ended on March 31, 2010 Rs. in Lakhs
<b>SCHEDULE 19 :</b>			
<b>RESEARCH AND DEVELOPMENT EXPENSES</b>			
<b>Cost of Material</b>			
Raw Materials		NIL	0.05
<b>Manufacturing Expenses</b>			
Stores and Supplies Consumed	NIL		0.03
Testing Charges	0.22		NIL
Insurance	0.01		NIL
Repairs and Maintenance :			
Building	4.51		NIL
Others	0.95		2.17
		5.69	2.20
<b>Employee Cost</b>			
Salaries, Wages and Benefits	84.70		54.63
Staff Welfare Expenses	7.18		2.23
Labour Charges	3.09		1.79
Recruitment Expenses	0.02		0.01
		94.99	58.66
<b>Selling, Administrative and Other Expenses</b>			
Freight and Forwarding	0.35		NIL
Rent	9.60		9.60
Rates and Taxes	NIL		0.18
Electricity Charges	NIL		0.27
Security Charges	2.89		2.19
Professional Charges	1.85		0.29
Printing and Stationery	0.77		0.43
Postage and Telegrams	1.90		2.00
Travelling and Conveyance	1.95		2.80
Donations	0.01		NIL
Loss on Sale of Assets	0.16		NIL
Fixed Assets written off	60.81		NIL
Miscellaneous Expenses	6.03		3.95
		86.32	21.71
Depreciation		15.30	14.23
		<b>202.30</b>	<b>96.85</b>

**SCHEDULE 20**

**NOTES ON CONSOLIDATION FINANCIAL STATEMENTS**

**A. BASIS OF CONSOLIDATION**

**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.

**2. Principles of Consolidation**

a. The CFS relate to Alkyl Amines Chemicals Limited (“the Company”), its subsidiary 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.

**3. Companies included in Consolidation**

The following companies are considered for the consolidated financial statements:

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

**B. SIGNIFICANT ACCOUNTING POLICIES**

**1. ACCOUNTING CONVENTION:**

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 notified by the Companies (Accounting Standards) Rules, 2006, and in accordance with the requirements of the Companies Act, 1956.

**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.

### 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 accounts is also set out in the Notes on Accounts of the Holding Company and Subsidiary Companies, respectively.

## SCHEDULE 21: NOTES TO ACCOUNTS (CONSOLIDATED)

### 1.

Sr. No.	Particulars	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
a	Estimated amount of contracts remaining to be executed on capital account and not provided for	126.53	735.47
	Less : Advances	51.74	267.86
	Net Estimated Amount	74.49	467.61
b	Contingent Liabilities not provided for :-		
i.	Claims against the Company by Ex- employees in Labour Court not acknowledged as debts	46.14	39.50
ii.	Disputed liability in respect of Income-tax demand (including interest) matter under appeal (Amount deposited Rs. 85.96 Lakhs (Previous Year Rs. 114.33 Lakhs))	85.96	114.33
iii.	Inter State Sales Tax against "C" Form	378.04	226.11
iv.	Disputed liability in respect of Sales Tax Matters under appeal	6.12	52.36
v	Disputed Liability in respect of Service Tax	39.00	44.62

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 Rs. 412 lakhs (Previous Year Rs. 359 lakhs).

2. 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 Profit and Loss Account.

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 Rs. 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 Schedule 2.

3. Foreign Currency Translation Reserve is created during the year in respect non-integral subsidiary of the Company. In earlier years, in view of the materiality, such reserve was not created while preparing CFS.
4. 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 Profit and Loss Account.
5. The following expenses incurred during the year on development of new processes for products as for Intangible Assets (including Capital Work-in-Progress):

Nature of Expenses	For the Year ended March 31, 2011 Rs. in Lakhs	For the Year ended March 31, 2010 Rs. in Lakhs
Raw Material and Chemicals	4.18	4.55
Catalyst	NIL	0.71
Repairs, Stores and Spares	6.95	1.99
Consumables	3.45	2.96
Electricity and Fuel Charges	4.43	3.81
Testing Charges	0.04	0.16
Salaries	37.62	54.86
<b>Total</b>	<b>56.67</b>	<b>69.04</b>

6. The Company has called for balance confirmations from Sundry Debtors and Sundry Creditors. 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.
7. **Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:**

Sr. No.	Particulars	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
a.	Principal amount remaining unpaid and interest due thereon		
	- Principal Amount	<b>58.88</b>	24.52
	- Interest	NIL	NIL
b.	Interest paid in term of Section 16	NIL	NIL
c.	Interest due and payable for the period of delay in payment	<b>2.63</b>	0.08
d.	Interest accrued and remaining unpaid	NIL	NIL
e.	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.

8. Based on the Exposure Draft of the Guidance Note on "Accounting for Self-Generated Certified Emission Reduction (CER)" issued by the Institute of Chartered Accountants of India, from the year 2009-10, the Company has decided not to recognise such Carbon Credits based on mere generation. The carbon credit which has already been recognised upto March 31, 2009, on the basis of credits generated, though not certified, continues to be reflected after giving effect on account of exchange rate difference of Rs. 16.31 lakhs (Rs. 45.06 lakhs), as an asset at Rs. 392.95 lakhs (Rs. 376.64 lakhs).

**9. Cogen and Boiler Expenses:**

Particulars	For the Year Ended March 31, 2011 Rs. in Lakhs	For the Year Ended March 31, 2010 Rs. in Lakhs
<b>Cost of Material</b>		
Raw Material	0.31	1.23
<b>Manufacturing Expenses</b>		
Stores and Spares Consumed	24.05	20.46
Power, Fuel and Water Charges	1.17	NIL
Testing Charges	0.29	0.51
Hire Charges	NIL	15.63
Repairs and Maintenance	140.45	139.68
Insurance	1.60	NIL
<b>Employee Cost</b>		
Salaries, Wages and Benefits	4.39	NIL
Contribution to Provident Fund and Other Funds	0.32	NIL
Staff Welfare Expenses	NIL	0.18
Labour Charges	8.32	32.65
<b>Selling And Administrative Expenses</b>		
<b>Selling Expenses</b>		
Freight Outward	0.22	0.31
<b>Administrative Expenses</b>		
Rent	0.42	1.44
Security charges	NIL	1.94
Professional Charges	1.74	7.27
Travelling and Conveyance	0.09	NIL
<b>Total</b>	<b>183.37</b>	<b>221.30</b>

**10. Nature of Prior Period Items shown in the Profit and Loss Account**

Particulars	For the Year Ended March 31, 2011 Rs. in Lakhs	For the Year Ended March 31, 2010 Rs. in Lakhs
<b>Income</b>		
<b>Sales</b>		
Sales Domestic	(0.23)	NIL
Sales Export	(43.84)	NIL
<b>Other Income</b>		
Interest Others	NIL	2.43
Export Incentives	(0.52)	NIL
Profit on Sale of Fixed Assets	NIL	1.88
Miscellaneous Income	(0.44)	NIL
<b>Total</b>	<b>(14.29)</b>	<b>4.31</b>
<b>Expenditure</b>		
<b>Cost Of Materials</b>		
Raw Materials	0.27	NIL
<b>Manufacturing Expenses</b>		
Process Charges	NIL	0.35
Testing Charges	0.07	0.13

Particulars	As At March 31, 2011 Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
Repairs- Others	0.08	NIL
PLA Excise Duty	(0.35)	NIL
<b>Employee Cost</b>		
Salaries, Wages and Benefits	1.21	NIL
Staff Welfare Expenses	0.38	(0.38)
Labour Charges	0.04	NIL
<b>Selling, Administrative and Other Expenses</b>		
<b>Selling Expenses</b>		
Sales Promotion Expenses	NIL	8.99
Sales Tax Expenses	4.22	71.74
Export Expenses	0.89	NIL
Freight and Forwarding	0.20	4.89
Commission on Sales	0.83	8.62
<b>Administrative Expenses</b>		
Rent	0.07	NIL
Rates and Taxes	6.00	NIL
Professional Taxes	0.03	NIL
Electricity Expenses	0.25	NIL
Professional Charges	NIL	5.24
Auditors Remuneration		
- Tax Audit Fees	NIL	1.85
- Taxation Matters	0.33	0.39
Postage and Telegrams	0.13	NIL
Printing and Stationery	0.19	0.63
Travelling and Conveyance	(0.05)	NIL
Foreign Exchange Fluctuation	(0.52)	NIL
Miscellaneous Expenses	0.02	(0.21)
<b>Interest and Finance Cost</b>		
Bank Charges	NIL	5.75
<b>Total</b>	11.05	107.99
<b>Prior Period Income / (Expenses) (Net)</b>	<b>(59.32)</b>	<b>(103.68)</b>

11. The shares of the associate were acquired on March 14, 2001. The value of investment in the associate is valued at Rs. 358.84 Lakhs (Rs. 173.45 Lakhs) as per AS – 23.
12. 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.
13. 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.
14. **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.
15. **Related Party Disclosures:**
  - a. Following transactions were carried out in the ordinary course of business with the parties referred to in (b) below:

(Rs. In Lakhs)

Particulars	Key Managerial Personnel and their relatives	Entities over which Key Managerial Personnel has control	Enterprise on which relatives of Key Managerial Personnel has Control
	[with b (I and II) below]	[with b (III) below]	[with b (IV) below]
<b>Unsecured Loans :</b>			
Loan from Directors - Received			
1. Yogesh Kothari	1,575.00 (50.00)		
2. Kirat Patel	10.00 (5.00)		
3. Suneet Kothari	135.00 (NIL)		
Loan from Directors - Repaid			
1. Yogesh Kothari	1,350.00 (NIL)		
2. Kirat Patel	NIL (5.00)		
3. Suneet Kothari	61.00 (NIL)		
<b>Inter Corporate Deposits – Received</b>			
YMK Trading & Consultancy Private Limited		NIL (80.00)	
SYK Trading & Consultancy Private Ltd.		25.00 (NIL)	
Inter Corporate Deposits – Repaid			
YMK Trading & Consultancy Private Limited		44.50 (25.00)	
Interest – Paid YMK Trading & Consultancy Private Limited		22.37 (19.11)	
Others		2.86 (0.49)	
Kamiko Investment & Trading Private Limited			8.94 (9.71)
DSP HMK Holdings Private Limited			13.91 (15.16)
ADIKO Investment Private Limited			13.91 (15.16)
Yogesh Kothari	183.36 (129.85)		
Kirat Patel	1.77 (1.06)		
Suneet Kothari	7.96 (1.06)		
Dividend Received	69.48 (19.85)		

Particulars	Key Managerial Personnel and their relatives	Entities over which Key Managerial Personnel has control	Enterprise on which relatives of Key Managerial Personnel has Control
	[with b (I and II) below]	[with b (III) below]	[with b (IV) below]
<b>Remuneration to key Managerial Personnel:</b>			
1. Yogesh Kothari	96.95 (83.44)		
2. Kirat Patel	41.64 (44.54)		
3. Suneet Kothari	35.31 (38.90)		
4. Hemendra Kothari			
Sitting Fees	0.60 (0.15)		
Commission	1.92 (2.09)		
<b>Outstanding Balance As At March 31, 2011</b>			
Loans From Directors			
1. Yogesh Kothari	1,390.00 (1,165.00)		
2. Kirat Patel	20.00 (10.00)		
3. Suneet Kothari	84.00 (10.00)		
Inter Corporate Deposits Taken			
1. YMK Trading & Consultancy Private Limited		175.00 (219.50)	
2. Anjyko Investments Private Limited		25.00 (25.00)	
3. Niyoko Trading & Consultancy Private Limited		0.01 (0.01)	
4. SYK Trading & Consultancy Private Limited		25.00 (NIL)	
1. Kamiko Investment & Trading Private Limited			80.00 (80.00)
2. DSP HMK Holdings Private Limited			125.00 (125.00)
3. ADIKO Investment Private Limited			125.00 (125.00)

**b. Relationships:**
**I. Key Managerial Personnel:**

- i. Yogesh M. Kothari
- ii. Kirat Patel
- iii. Suneet Y. Kothari

**II. Relatives of Key Managerial Personnel:**

Hemendra M. Kothari

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

**16. Disclosure on Leases as per Accounting Standard 19 on “Accounting for Leases”:**

**a. Where the Company is a Lessee:**

- 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.
- Lease/Rent payments are recognised in the Profit and Loss Account under ‘Rent’ in Schedule 17.
- Future minimum lease rental payable is as under:

Particulars	As At March 31, 2011 Rs in Lakhs	As At March 31, 2010 Rs in Lakhs
Within 1 year	9.60	9.60
After 1 year but before 5 years	3.20	12.80
After 5 years	NIL	NIL

- Land taken on lease have been amortised over the respective lease period and Rs. 3.95 lakhs (Previous Year Rs. 3.68 lakhs) has been amortised during the year

**17. Earnings Per Share as per Accounting Standard 20 :**

Particulars	For the Year ended March 31, 2011 Rs in Lakhs	For the Year ended March 31, 2010 Rs in Lakhs
<b>Numerator for Basic and diluted earnings per Share</b>		
Net Profit/ (Loss) after tax for the year before Preference Dividend	1,395.56	1,174.36
Less :Preference Dividend and Tax thereon	NIL	NIL
Net Profit/ (Loss) after tax for the year (a)	1,395.56	1,174.36
<b>Denominator for Basic and Diluted Earnings per Share</b>		
Weighted average number of Shares (b)	1,01,98,196	1,01,98,196
<b>Basic and Diluted Earnings per Share [ (a) / (b) ]</b>	13.68	11.52
Face value per Share	Rs.10	Rs.10

**18. Taxation:**
**Deferred Tax:**

As required by Accounting Standard 22 on "Accounting for Taxes on Income", Deferred Taxes have been recognised in respect of the following items:

Items of Timing Difference	Accumulated Deferred Tax (Assets) /Liabilities As At April 1, 2010	Charge/(Credit) during the Year ended March 31, 2011	Accumulated Deferred Tax (Assets) / Liabilities As At March 31, 2011
Deferred Tax Liabilities	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Related to Fixed Assets	1,860.74	*(141.75)	1718.99
Deferred Tax Assets			
Provision for doubtful debts and advances	(63.21)	5.04	(58.17)
Provision for Gratuity	(52.69)	(8.55)	(61.24)
Provision for Leave Encashment	(22.01)	(1.29)	(23.30)
Disallowance under section 43B	(2.00)	0.12	(1.88)
Net Deferred Tax (Assets) / Liabilities	1,720.83	(146.43)	1,574.40

\* Includes Rs. 77.15 lakhs reduction of Deferred Tax Liabilities on account of the excess depreciation charged in earlier years. (Refer Note 3 to Accounts of Alkyl Amines Chemicals Limited)

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

Particulars	As At April 1, 2010 Rs. in Lakhs	Additions during the year Rs. in Lakhs	Amount paid/reversed during the year Rs. in Lakhs	As At March 31, 2011 Rs. in Lakhs
Leave Encashment	66.27	15.59	10.05	71.81
Gratuity	247.12	53.40	19.70	280.82
Proposed Dividend	305.95	305.95	305.95	305.95
Tax on Proposed Dividend	52.00	52.00	52.00	52.00

Particulars	As At April 1, 2009 Rs. in Lakhs	Additions during the year Rs. in Lakhs	Amount paid/reversed during the year Rs. in Lakhs	As At March 31, 2010 Rs. in Lakhs
Leave Encashment	57.15	16.64	7.52	66.27
Gratuity	159.82	96.75	9.45	247.12
Proposed Dividend	203.96	305.95	203.96	305.95
Tax on Proposed Dividend	34.66	52.00	34.66	52.00

**20. Financial and Other Derivative Instruments:**

- a. 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, 2011		Balance As At March 31, 2010	
		In Foreign Currency	Rs. in Lakhs	In Foreign Currency	Rs. in Lakhs
Forward Contracts for Export Debtors	US \$	1,00,000	4.74	1,50,000	66.98
	Euro	NIL	NIL	NIL	NIL
Forward Contracts for Import Creditors	US \$	2,98,920	137.62	3,55,000	401.01
	Euro	42,000	27.02	45,000	27.47
Forward Contracts for FCNR (B) Loan	US \$	22,50,000	1,043.33	8,86,328	399.36
Buyers' Credit	US \$	5,39,080	251.32	5,35,000	241.06
	Euro	2,20,000	141.14		

- b. Foreign Currency exposure that are not hedged by the derivative instruments:

Particulars		Balance As At March 31, 2011		Balance As At March 31, 2010	
		In Foreign Currency	Rs. in Lakhs	In Foreign Currency	Rs. in Lakhs
Export Debtors	US \$	17,72,469.58	784.21	6,16,484	275.29
	Euro	3,65,721.55	228.66	5,55,727	333.03
Import Creditors	US \$	2,70,976.32	121.43	89,084	40.14
	Euro	2441.40	1.55	11,627	7.10
Interest on FCNR(B) Loan Payable	US \$	11,551.00	5.18	950	0.43
Buyers' Credits	US \$	2,52,505.55	113.15	1,33,313	60.06
	Euro	59,390.00	37.82	Nil	Nil

All outstanding derivatives are marked to market on the balance sheet date and accordingly, mark to market profit of Rs. 46.81 Lakhs (Previous Year profit of Rs. 23.38 Lakhs) has been recognised.

21. The previous year's figures, wherever necessary, have been regrouped, reclassified and recast to conform to the current year's classification. Figures in bracket indicate those of previous 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 31, 2011

For and on behalf of the Board of Directors

**YOGESH M. KOTHARI**

Chairman & Managing Director

**K. P. RAJAGOPALAN**

General Manager (Secretarial & Legal)

Place : Mumbai

Dated : May 31, 2011

**KIRAT PATEL**

Executive Director

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956 RELATING TO THE COMPANY'S INTEREST IN THE SUBSIDIARY

1	Name of the Company	ALKYL SPECIALITY CHEMICALS LIMITED	ALKYL AMINES EUROPE spl
2	The financial year of the Subsidiary Company ended on	31st March, 2011	31st March, 2011
3	a) No. of the Equity Shares held by Alkyl Amines Chemicals Limited in the subsidiary company at the end of the financial year of the Subsidiary.	16,38,266 Equity Shares of Rs.10/- each	100 Equity Shares of Euros 124/- each
	b) Capital and Reserve of the subsidiary as at the end of the financial year of the Subsidiary.		
	i) Capital	Rs.163.83 Lakhs	Rs.8.25 Lakhs (Euros 12400)
	ii) Reserves & Surplus	Rs. 51.10 Lakhs	Rs.NIL
	c) Extent of interest of Alkyl Amines Chemicals Limited in the capital of the Subsidiary at the end of the financial year of Subsidiary.	100%	100%
4	Net aggregate amount, so far as it concerns the members of Alkyl Amines Chemicals Limited and is not dealt with in the Company's Accounts, of the Subsidiary's profits after deducting its losses, or losses after deducting its profits;		
	a) Profit/(Loss) for the Subsidiary's Financial year ended on 31st March 2011	(Rs.5.68 Lakhs)	Rs.1.92 Lakhs
	b) Profit/(Loss) for the previous Financial Years of the Subsidiary since it became the Subsidiary of Alkyl Amines Chemicals Limited	(Rs.129.57 Lakhs)	(Rs.8.67 Lakhs)
5	Net aggregate amount of the profits of the Subsidiary after deducting losses, or losses of the Subsidiary after deducting profits, so far as those profits are not dealt with, or provision is made for those losses, in Alkyl Amines Chemicals Limited's Accounts		
	a) Profit/(Loss) for the Subsidiary's Financial year ended on 31st March 2011	(Rs.5.68 Lakhs)	Rs.1.92 Lakhs
	b) Profit/(Loss) for the previous Financial Years of the Subsidiary since it became the Subsidiary of Alkyl Amines Chemicals Limited	(Rs.129.57 Lakhs)	(Rs.8.67 Lakhs)
6	Net aggregate amount of the profits of the Subsidiary after deducting losses or losses of the Subsidiary after deducting profits, so far as those profits are dealt with or provision is made for those losses, in Alkyl Amines Chemicals Limited Accounts		
	a) Profit for the Subsidiary's Financial year ended on 31st March 2011	Nil	Nil
	b) Profit for the previous Financial Year of the Subsidiary since it became the Subsidiary of Alkyl Amines Chemicals Limited	Nil	Nil
7	Material changes between the end of the Financial Year of the Subsidiary and the end of the Holding Company's Financial Year in respect of the Subsidiary's		
	1) Fixed Assets	Not Applicable	Not Applicable
	2) Investments	Not Applicable	Not Applicable
	3) Money lent by the Subsidiary	Not Applicable	Not Applicable
	4) Money borrowed by the Subsidiary	Not Applicable	Not Applicable

For and on behalf of the Board of Directors  
**YOGESH M. KOTHARI**  
Chairman & Managing Director

**K. P. RAJAGOPALAN**  
General Manager (Secretarial & Legal)  
MUMBAI  
Date : May 31, 2011

**KIRAT PATEL**  
Executive Director

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) <b>Please attach photocopy of the cheque</b>	<table border="1"><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)



**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 31st Annual General Meeting held at Chandragupta Hall, 2nd Floor, Abbott Hotel, Sector 2, Vashi, Navi Mumbai - 400 703, at 2.30 p.m. on Thursday, the 4th August, 2011.

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

**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 31st Annual General Meeting of the Company to be held on Thursday, the 4th August, 2011 at  
2.30 p.m. and at any adjournment thereof.

Signed this.....day of..... 2011.

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](http://www.alkylamines.com)