

BANSI S. MEHTA & CO.

CHARTERED ACCOUNTANTS

Bansi S. Mehta
(Chief Mentor)

D. I. SHAH	A. A. DESAI
K. R. GANDHI (Ms.)	H. G. BUCH
D. R. DESAI (Ms.)	Y. A. THAR
P. H. CLERK	R. G. DOSHI
M. V. SHAH	A. B. AGRAWAL
A. A. AGRAWAL (Ms.)	U. A. SHAH (Ms.)

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REVIEW REPORT

To The Board of Directors,

DIAMINES AND CHEMICALS LIMITED

We have reviewed the accompanying statement of Unaudited Financial Results ('the Statement') of **DIAMINES AND CHEMICALS LIMITED** ("the Company") for the quarter and half year ended September 30, 2017, prepared and being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which has been initialed by us for the purpose of identification.

This Statement is the responsibility of the Company's Management and has been reviewed by the Audit Committee, in their meeting held on November 7, 2017 and approved by the Board of Directors, in their meeting held on November 9, 2017. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement-(SRE) 2410, on "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Accounting Standards, i.e. Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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We have not reviewed the accompanying Unaudited Financial Results for the comparative period as of and for the quarter and half year ended September 30, 2016 which have been presented solely based on information compiled by the management.

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



A handwritten signature in blue ink, appearing to be "P.H.", written over a horizontal line.

PARESH H. CLERK
Partner
Membership No. 36148

PLACE : Mumbai
DATED : November 9, 2017

DIAMINES AND CHEMICALS LIMITED

CIN : L24110GJ1976PLC002905

Registered Office : Plot No.13 P.C.C. Area, P.O.Petrochemicals, Dist.Vadodara 391346(Gujarat) Phone : 0265-3920200 Fax : 0265-2230218

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PART I: STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

(₹ in Lacs. except EPS)

	Particulars	Quarter ended	Quarter ended	Quarter ended	Half Year ended	Half Year ended
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I	Revenue from Operations (Refer Note 5)	851.65	1,162.65	1,039.27	2,014.30	1,974.36
II	Other Income	8.95	1.41	1.55	10.36	2.52
III	Total Income (I+II)	860.60	1,164.06	1,040.82	2,024.66	1,976.88
IV	Expenses:					
	(a) Cost of Materials Consumed	302.86	270.80	320.99	573.66	705.76
	(b) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	(42.98)	235.49	56.82	192.51	164.65
	(c) Excise Duty	NIL	105.41	91.72	105.41	184.85
	(d) Employee Benefits Expense	94.25	98.13	86.98	192.38	176.36
	(e) Finance Costs	3.20	14.84	43.12	18.04	92.84
	(f) Depreciation and Amortisation Expense	49.07	48.32	49.15	97.39	97.91
	(g) Other Expenses	207.62	171.48	157.11	379.10	272.20
	Total Expenses	614.02	944.47	805.89	1,558.49	1,694.57
V	Total Profit before exceptional items and Tax (III-IV)	246.58	219.59	234.93	466.17	282.31
VI	Exceptional items (Refer Note 7)	NIL	152.52	NIL	152.52	NIL
VII	Profit before tax (V-VI)	246.58	67.07	234.93	313.65	282.31
VIII	Tax expense:					
	(a) Current tax	45.51	45.74	48.14	91.25	62.73
	(b) Deferred Tax (including MAT Credit Entitlement)	(49.76)	(28.67)	10.98	(78.43)	8.00
	Total tax expenses	(4.25)	17.07	59.12	12.82	70.73
IX	Profit for the period (VI-VIII)	250.83	50.00	175.81	300.83	211.58
X	Other comprehensive income					
	A. Items that will not be reclassified subsequently to profit or loss					
	i. Remeasurement [gain/(loss)] on the Defined Benefit Plans	(5.98)	(0.30)	(2.71)	(6.28)	(3.59)
	ii. Effect [gain/(loss)] of measuring equity instruments at fair value through OCI	(12.10)	22.52	NIL	10.42	(0.62)
	iii. Income tax on (i) above	1.65	0.08	1.48	1.73	1.19
	B. Items that will be reclassified subsequently to profit or loss	NIL	NIL	NIL	NIL	NIL
	Other Comprehensive Income	(16.43)	22.30	(1.23)	5.87	(3.02)
XI	Total Comprehensive Income for the period (IX+X)	234.40	72.30	174.58	306.70	208.56
	Paid up Equity Share Capital	978.32	978.32	978.32	978.32	978.32
	Face Value of Equity Share Capital	10	10	10	10	10
XIII	Earnings per equity share (of ₹ 10/- each) (not annualised)					
	Basic and Diluted (₹)	2.56	0.51	1.80	3.07	2.16



PART II: SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ in Lacs)

Particulars	Quarter ended September 30, 2017	Quarter ended June 30, 2017	Quarter ended September 30, 2016	Half Year ended September 30, 2017	Half Year ended September 30, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
A. Segment Revenue					
a. Speciality Chemicals	783.66	1,083.97	962.65	1,867.63	1,831.78
b. Power Generation:					
Total Power Generated	86.21	104.45	98.71	190.66	188.74
Less: Captive power used for Speciality Chemicals	18.54	25.21	21.85	43.75	45.53
Net as per Accounts	67.67	79.24	76.86	146.91	143.21
c. Others Non Allocated	NIL	NIL	NIL	NIL	NIL
Total (a+b+c)	851.33	1,163.21	1,039.51	2,014.54	1,974.99
B. Segment Results					
Profit (+) / Loss (-) before tax and interest					
a. Speciality Chemicals	209.30	169.29	221.88	378.59	273.38
b. Power Generation:					
Total	59.62	78.24	72.95	137.86	137.31
Less: Of Captive Power	21.02	11.31	16.14	32.33	34.29
	38.60	66.93	56.81	105.53	103.02
c. Others Non Allocated				NIL	
Total (a+b+c) (1)	247.89	236.22	278.69	484.12	376.40
Add: Interest Income	5.34	0.86	0.70	6.20	1.27
Add: Other Non-allocated Income					
Dividend	0.22	NIL	0.62	0.22	0.62
Sub-total (2)	5.56	0.86	1.32	6.42	1.89
Less: a. Interest Expenses	0.54	13.54	39.44	14.08	87.60
b. Other Unallocable Expenses	6.34	156.47	5.64	162.81	8.38
Sub-total (3)	(6.88)	(170.01)	(45.08)	(176.89)	(95.98)
Total profit before Tax (1)+(2)-(3)	246.58	67.07	234.93	313.65	282.31
C. Segment Assets					
a. Speciality Chemicals	3,968.43	3,911.14	4,479.40	3,968.43	4,479.40
b. Power Generation	871.17	839.79	954.40	871.17	954.40
c. Others Non Allocated	103.47	114.38	69.92	103.47	69.92
Total	4,943.07	4,865.31	5,503.72	4,943.07	5,503.72
Segment Liabilities					
a. Speciality Chemicals	4,943.07	1,075.91	5,503.72	4,943.07	5,503.72
b. Power Generation	NIL	NIL	NIL	NIL	NIL
c. Others Non Allocated	NIL	NIL	NIL	NIL	NIL
Total	4,943.07	1,075.91	5,503.72	4,943.07	5,503.72
Capital Employed					
a. Speciality Chemicals	2,907.29	2,835.23	3,081.76	2,907.29	3,081.76
b. Power Generation	871.17	839.79	954.40	871.17	954.40
c. Others Non Allocated	103.47	114.38	69.92	103.47	69.92
Total	3,881.93	3,789.40	4,106.08	3,881.93	4,106.08



PART III: STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017

Particulars	(₹ in Lacs)
	As At September 30, 2017 Unaudited
ASSETS	
Non-current assets	
(a) Property, Plant and Equipment	2,473.59
(b) Capital work-in-progress	25.80
(c) Financial Assets	
(i) Investments	103.47
(ii) Loans	0.40
(iii) Other Financial Liabilities	NIL
(d) Advance Tax (Net of Provisions)	117.50
(e) Other Non-Current Assets	4.81
Total Non-current assets	2,725.57
Current assets	
(a) Inventories	676.48
(b) Financial Assets	
(i) Trade receivables	837.29
(ii) Cash and cash equivalents	15.47
(iii) Bank balances other than (ii) above	631.07
(iv) Others	10.80
(c) Other current assets	46.39
Total Current assets	2,217.50
Total Assets	4,943.07
EQUITY AND LIABILITIES	
Equity	
(a) Equity Share capital	978.32
(b) Other Equity	2,903.60
Total Equity	3,881.92
LIABILITIES	
Non-current liabilities	
(a) Financial Liabilities	
(i) Borrowings	NIL
(ii) Trade payables	NIL
(iii) Other financial liabilities (other than those specified in item (b), to be SPECIFIED)	NIL
(b) Provisions	38.08
(c) Deferred tax liabilities (Net)	432.31
(d) Other non-current liabilities	NIL
Total Non-current liabilities	470.39
Current liabilities	
(a) Financial Liabilities	
(i) Borrowings	NIL
(ii) Trade payables	410.44
(iii) Other financial liabilities (other than those specified in item (c))	73.55
(b) Other current liabilities	34.66
(c) Provisions	72.11
Total Current liabilities	590.76
Total Equity and Liabilities	4,943.07



Notes :

- The above results have been reviewed by the Audit Committee at its meeting held on November 7, 2017 and approved by the Board of Directors at its meeting held on November 2017.
- The Company has adopted Indian Accounting Standard ('Ind AS') with effect from April 1, 2017 and accordingly, the above financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013. The Company adopted Indian Accounting Standard ('Ind AS') with effect from April 1, 2017 and accordingly, the above financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.
- The Auditors of the Company have carried out Limited Review of unaudited financial results for the quarter and half year ended September 30, 2017 as required under SEBI (List Obligations and Disclosure Requirements) Regulations, 2015 and the related report is being submitted to the concerned stock exchange. As per SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016, the Company has also presented Ind AS compliant results for the corresponding quarter and half year ended September 30, 2016. The results for the quarter and half year ended September 30, 2016 have not been subject to limited review or Audit as per Ind AS. However, the Management has exercised necessary due diligence to ensure that the said financial results provide a true and fair view of the Company's affairs.
- There is possibility that these quarterly financial results along with the provisional financial statements as of and for the year ended March 31, 2017 may require adjustment before constituting the final Ind AS financial Statements as of and for the year ending March 31, 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by ICAI or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.
- The Government of India introduced the Goods and Services Tax (GST) with effect from July 1, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in Equity, consequently revenue for the quarter ended September 2017 is presented net of GST. Sales of earlier periods included excise duty which now is subsumed in GST. Accordingly, the related figures for the quarter & six months are not comparable with the previous periods presented in the results.
- The Company is engaged mainly in production of Speciality Chemicals and Power Generation.
- Exceptional item represents loss on surrender of plot of land to GIDC.
- Tax expenses for the half year is arrived at after considering effect of the reduction in the applicable tax rate and recognising unused tax credit.
- Reconciliation of the Net profit between previous GAAP to Ind AS for the quarter and half year ended September 30, 2016 :

Particulars	₹ in Lacs	
	Quarter ended September 30, 2016	Half Year ended September 30, 2016
Net profit for the period (as per AS)	170.83	207.99
Add / (less) : Adjustments in Statement of Profit and Loss		
Provision for Expected Sales Return	4.16	NIL
Remeasurement [gain/(loss)] on the Defined Benefit Plans	2.71	3.59
Taxes on account of above item	(1.89)	NIL
Net profit as per Ind AS	175.81	211.58
Other Comprehensive Income (Net of Tax)	(1.23)	(3.02)
Total Comprehensive Income	174.58	208.56

- Figures for the previous periods have been regrouped, recast and reclassified, wherever necessary.

For DIAMINES AND CHEMICALS LIMITED



YOGESH KOTHARI

Place : Mumbai
Dated : November 9, 2017

