



Amal Ltd

Annual Report 2011-12

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

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Forward Looking Statements

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



2011-12 in Retrospect

Initiatives taken to improve performance

- ∅ Increased volume of Sulphur Trioxide, a value added product
- ∅ Enhanced customer base for Sulphur Dioxide
- ∅ Improved price realisation for steam supplied

Initiatives underway to improve performance

- ∅ Increase volume of Sulphur Trioxide
- ∅ Self-sufficiency in electricity
- ∅ Extraction of additional waste heat

Energised by Purpose

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

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

Propelled by Values



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

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

Integrity

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

Understanding

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

Unity

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

Responsibility

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

Excellence

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

Overview by the Managing Director

Dear Shareholders,

In our letter last year, we had informed you on the initiatives taken to improve the performance, such as supplying excess steam to a neighbouring plant in Ankleshwar, raising the overall capacity of the Sulphuric Acid plant and increasing the volume of Sulphur Trioxide, a value added product. However, we are yet to realise the envisaged benefits which may have significantly improved our performance. We are continuing to pursue these initiatives which will improve our manufacturing efficiency and competitiveness in the ensuing years.

During the year, the price of the key raw material, Sulphur, continued to be at a high, with negligible increase in market prices of end products such as Sulphuric Acid 98%, Oleum 65%, Oleum 25%, Sulphur Trioxide and Sulphur Dioxide. As a result, contribution margins of these products have been the lowest, thus impacting the overall performance of our Company.

We have also made marginal investments during the year, such as procuring additional tonners of Sulphur Dioxide to cater a larger customer base and installation of a plate heat exchanger for waste heat recovery; the benefit of which will accrue in the financial year 2012-13.

As we progress into the current year, the situation on Sulphur price continues to be unfavourable, resulting in severe pressure on the contribution margins of our end products. However, implementation of key initiatives, within our control, such as full deployment of steam (a by-product) and better capacity utilisation will help us to improve our performance. Besides, we are also evaluating new products which will help our Company to turnaround in these trying times.

We wish to take this opportunity to thank the independent Directors for their significant involvement and guidance. On behalf of all our colleagues on the Board, we wish to thank the customers for their support and employees for their commitment and dedication.

With best wishes,

Sincerely,

Vasudev Koppaka
Managing Director

Directors' Report



Dear Members,

The Board of Directors of Amal Ltd present the Annual Report of the Company together with the audited statement of accounts for the year ended March 31, 2012.

Financial Results

(₹ thousands)

	2011-12	2010-11
Net Sales	135,380.00	131,882.00
Other income	172.00	108.00
Total income	135,552.00	131,990.00
Profit (Loss) from operations before tax	(34,021.00)	(37,377.00)
Add: Write back of balances and prior period provisions not required	1962.00	3,483.00
Less: Write off of balances and short provisions of prior period	87.00	3,256.00
Add (Less) tax expenses	-	-
Add: Write back on settlement with unsecured creditors	-	-
Profit (Loss) after tax	(32,146.00)	(37,150.00)
Balance in Profit and Loss Account brought forward	(425,574.35)	(388,424.35)
Balance in Profit and Loss carried forward	(457,720.35)	(425,574.35)
Adjustments		
Less: Waiver from secured loan	-	-
Less: Restructure of reserves and surplus	-	-
Accumulated loss after adjustment of general reserve	(457,720.35)	(425,574.35)

Dividend

The Company incurred loss from operations of ₹ 340.21 lacs. The Board regrets its inability to recommend any dividend considering the loss from operations for the year and also the accumulated loss of ₹ 4,577.20 lacs as on March 31, 2012.

Finance

The Company is operating without any borrowing from the bank(s) or financial institution(s). It will obtain loans from bank(s) | financial institution(s) for working capital and for executing new projects after obtaining the requisite approvals.

Safety, Health and Environment (SH&E)

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

BIFR Status

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

- Settled majority of unsecured creditors at 30% of the Principal dues
- Issued Redeemable Preference Shares of ₹ 10 crores to Atul Ltd
- Enhanced capacity of Sulphuric Acid plant to 140 MT per day

Subsequently, the Appellate Authority of Industrial and Financial Reconstruction (AAIFR) vide its order dated March 22, 2011 allowed an Appeal filed with it and remanded the case back to the BIFR for considering a revival scheme through an Operating Agency.

Honourable BIFR appointed IDBI Bank as operating agency vide order dated October 11, 2011. IDBI Bank has reviewed

the new Draft Rehabilitation Scheme (DRS) and subsequently submitted the same to BIFR on February 16, 2012 for its review and approval.

Insurance

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

Directors

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

Appointment of Mr Shah and Mr Jadeja as Director was approved by the Members in the last Annual General Meeting (AGM) held on August 9, 2011.

According to Article 134 of the Articles of Association of the Company, Mr S S Lalbhai retires by rotation and being eligible offers himself for reappointment at the forthcoming AGM scheduled on July 24, 2012.

Management Committee

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

Corporate Governance

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

Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings & Outgo and Employees

During the year, there were no employees drawing remuneration exceeding the limits been prescribed under Section 217(2A). Information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 as amended from time to time, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv), the report and accounts are being sent to all the Shareholders excluding the information relating to

conservation of energy, technology absorption and foreign exchange earnings and outgo. Any Shareholder interested in obtaining such information | particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

Responsibility Statement

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

- (i) In the preparation of the annual accounts, the applicable Accounting Standards were followed.
- (ii) Such accounting policies were selected and applied consistently and such judgements and estimates were made that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2012 and of the loss of the Company for the year ended on that date.
- (iii) Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Company has restarted its manufacturing operations at Ankleshwar site and intends to expand and diversify its operations as per the proposal submitted to the BIFR. As such, it is considered as a going concern and the attached annual accounts for the year ended March 31, 2012 were prepared on a going concern basis.

Auditors

Haribhakti & Co, the Statutory Auditors will retire at the conclusion of the ensuing AGM. They have given their consent to continue to act as the Statutory Auditors for 2012-13, if appointed.

Acknowledgements

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

For and on behalf of the Board of Directors

Mumbai
May 05, 2012

Sunil Lalbhai
Chairman



Management Discussion & Analysis

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

Sales for the year 2011-12 grew from ₹ 1,319 lacs to ₹ 1,354 lacs. The current global demand for Sulphuric Acid is reported to be 130 million mt per annum, assuming demand equals production and at an average growth of 6-7% per annum, the global demand for Sulphuric Acid is projected to be around 145 million mt per annum valued at US\$ 11.28 bn by 2013* with Fertilizer industry contributing to 65% of the consumption. There are about 45 manufacturers of Sulphuric Acid in India accounting for 7.90 million mt per annum of production. The western region accounts for 44%, followed by eastern region at 30%, southern region at 22% and northern region at 4%.

The manufacturing plant of the Company at Ankleshwar has an installed capacity of 120 mt per day and effective steps have been taken to debottleneck the capacity to 140 mt per day, the benefits of which will fully materialise in 2012-13. It will also be able to generate more steam which would be supplied to a neighbouring plant. In addition, it will also explore new value added products which will utilize Sulphur Trioxide and Sulphur Dioxide. Besides, the Company is also re-considering manufacture of a chemical intermediate used in the pharmaceutical industry.

As the manufacture of the Sulphuric Acid and its downstream products are based on Sulphur, their prices and consequently

their contribution margins are influenced by the international price of Sulphur and the rate of foreign exchange. The Company needs to ensure a high degree of efficiency, competitiveness and speed in its operations to achieve a good performance.

** Source: ICIS*

Internal Control Systems

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

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

- 1) Internal Control Systems & procedures were audited by Ernst & Young and quarterly transactions audit was done by another Chartered Accountant firm that is Vimal D. Desai & Associates
- 2) Suggestions given by both the firms have been implemented

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

Human Resources

Production and sales activities of the Company have been streamlined at Ankleshwar and requisite manpower has been recruited to support the activities.

Report on Corporate Governance

The human voice can never reach the distance that is covered by the still small voice of conscience.

- Mahatma Gandhi

1. Philosophy

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

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

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

2. Board of Directors

2.1 Board Business

The normal business of the Board comprises:

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



2.2 Appointment and Tenure

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

2.3 Composition, Name, Other Directorships | Committee Memberships

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

Number	Name	Category	Directorship(s) in other company(ies) ¹	Membership(s) of the Committee(s) of the Board(s) ²	Chairmanship(s) of the Committee(s) of the Board(s) ²
1	Mr S S Lalbhai	Promoter, Non-executive*	5	3	-
2	Mr V Koppaka	Promoter, Executive**	-	-	-
3	Mr T R Gopi Kannan	Promoter, Non-executive	6	3	-
4	Mr N C Singhal	Independent, Non-executive	9	8	5
5	Mr S A Shah	Independent, Non-executive	9	9	5
6	Mr A R Jadeja	Independent, Non-executive	-	-	-

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

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

* Chairman

** Managing Director

2.4 Board Meetings

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

Number	Day	Date	Venue
1	Saturday	May 14, 2011	Mumbai
2	Monday	July 25, 2011	Mumbai
3	Saturday	November 5, 2011	Mumbai
4	Saturday	February 4, 2012	Ankleshwar

2.5 Attendance at the Board Meetings and at the Annual General Meeting

Number	Name	Board Meetings		AGM on August 9, 2011
		Total	Attended	
1	Mr S S Lalbhai	4	4	Present
2	Mr V Koppaka	4	4	Present
3	Mr T R Gopi Kannan	4	4	Present
4	Mr N C Singhal	4	4	Present
5	Mr S A Shah	4	4	Present
6	Mr A R Jadeja	4	4	Present

2.6 Appointment | cessation during the year

Nil

2.7 Remuneration

Number	Name	Remuneration during the year			
		Sitting Fees	Salary & perquisites	Commission	Total
		₹	₹	₹	₹
1	Mr S S Lalbhai	-	-	-	-
2	Mr V Koppaka	-	710,000	-	710,000*
3	Mr N C Singhal	120,000	-	-	120,000
4	Mr T R Gopi Kannan	-	-	-	-
5	Mr S A Shah	80,000	-	-	80,000
6	Mr A R Jadeja	80,000	-	-	80,000

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

* Represents lower of 10% of the remuneration paid by Atul Ltd to the Managing Director (being an employee of Atul Ltd) or an amount allowable under Section I or Section II of Part II of the Schedule XIII of the Companies Act, 1956. Accordingly, an amount of ₹ 710 ('000) is reimbursable to Atul Ltd. Mr Vasudev Koppaka has been appointed Managing Director for a term of 5 years from July 22, 2010 to July 21, 2015.

3. Committees of the Board

The Board has the following Committees:

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

3.1 Audit Committee

3.1.1 Role

- Approving the appointment of CFO
- Reviewing | Overseeing the financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible
- Reviewing matters under the Directors' Responsibility Statement to be included in the Directors' Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
- Reviewing of the following information mandatory
 - Management Discussion & Analysis of financial condition and results of operations
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management
 - Internal audit reports relating to weaknesses in Internal Control Systems
 - Appointment, removal and terms of remuneration of the Chief Internal Auditor
- Reviewing quarterly | annual financial statements with the Management before submission to the Board, focusing primarily on
 - Any changes in Accounting Policies and practices
 - Major accounting entries based on exercise of judgement by the Management
 - Qualifications in the draft audit report
 - Significant adjustments arising out of audit
 - Going concern assumption
 - Compliance with Accounting Standards
 - Compliance with the Stock Exchanges and legal requirements concerning financial statements



- Any related party transactions, that is, transactions of the Company of material nature, with Promoters or the Management, their subsidiary companies and relatives, among others, that may have potential conflict with the interest of the Company at large
- vi) Reviewing with the Management, external and Internal Auditors, the adequacy of Internal Control Systems
- vii) Reviewing adequacy of Internal Audit function, including the structure of Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit
- viii) Reviewing findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of material nature and reporting such matters to the Board
- ix) Reviewing financial and risk management policies
- x) Reviewing reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, Members (in case of non-payment of declared dividends) and creditors
- xi) Reviewing periodically compliance reports of all laws applicable to the Company as well as steps taken to rectify instances of non-compliances
- xii) Reviewing financial statements, in particular, the investments made by the unlisted subsidiary companies
- xiii) Reviewing all significant transactions and arrangements entered into by the unlisted subsidiary companies
- xiv) Reviewing uses | applications of funds raised through public | right | preference issues by major categories vis-à-vis the purposes narrated in the offer document | prospectus | notice
- xv) Recommending appointment and removal of the Statutory Auditors and fixation of audit fees, and approval for payment for any other services
- xvi) Determining | formulating the Code of Conduct and related matters
- xvii) Determining procedures about the risk assessment and minimisation and reviewing periodically to ensure that the executive management control risks through means of a properly defined framework
- xviii) Discussing with the Internal Auditors on any significant findings and follow up thereon
- xix) Discussing with the Auditors before the audit commences regarding nature and scope of the audit as well as to have post-audit discussion to ascertain any areas of concern
- xx) Discussing with the Auditors, periodically, about Internal Control Systems, the scope of audit including the observations of the Auditors and review of quarterly, half-yearly and annual financial statements before submission to the Board
- xxi) Ensuring compliance of Internal Control Systems

3.1.2 Composition

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

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

3.1.3 Meetings and Attendance

During the year four meetings were held:

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

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

The Board notes the minutes of the Audit Committee meetings.

3.2 Share Transfer and Shareholders' | Investors' Grievance Committee

3.2.1 Role

- i) Reviewing redressal of complaints of the Shareholders and the Investors like transfer of shares (physical and demat), non-receipt of Balance Sheet, non-receipt of declared dividends, etc
- ii) Reviewing any other related matter which the Committee may deem fit in the circumstances of the case including the following:
 - Transfer shares
 - Transmit of shares
 - Delete name(s) from share certificates
 - Change name(s) of the Members on share certificates
 - Issue duplicate share certificates
 - Consolidate share certificates
 - Transpose names
 - Dematerialise shares
 - Inter depository transfer
 - Rematerialise shares
 - Split-up shares
 - Replace shares
 - Delete name(s) of guardian(s)

3.2.2 Composition

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

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

Mr A Chhajer, Head, Finance & Company Secretary is the Compliance Officer.

3.2.3 Meetings and Attendance

During the year four meetings were held:

Number	Name	Total	Attended
1	Mr N C Singhal	4	4
2	Mr T R Gopi Kannan	4	4

During the year, 13 complaints were received from the Investors. All the grievances were solved to the satisfaction of the Investors:

Number	Nature of Complaint	Received	Redressed
1	Non-receipt of share certificates	6	6
2	Non-receipt of shares after name change	1	1
3	Non-receipt of Demat credit	3	3
4	Others	3	3

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

3.3 Remuneration Committee

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



3.3.1 Role

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

3.3.2 Composition

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

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

3.3.3 Meetings and Attendance

During the year one meeting was held.

Number	Name	Total	Attended
1	Mr S A Shah	1	1
2	Mr N C Singhal	1	1
3	Mr S S Lalbhai	1	1

The Board notes the minutes of the Remuneration Committee meetings.

4. Subsidiary Companies

There are no subsidiary companies of the Company.

5. Company Policies

5.1 Compliance

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

5.2 Code of Conduct

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

6. Affirmation and Disclosure

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

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

7. Shareholders' Information

7.1 General Body Meetings

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

Year	Location	Date	Time
2008-09	Kilachand Conference Room, 2 nd Floor, LNM - IMC Building, IMC Marg, Churchgate, Mumbai 400020	September 24, 2009	4.00 p.m.
2009-10	Babubhai Chenai Committee Room, 2 nd Floor, LNM - IMC Building, IMC Marg, Churchgate, Mumbai 400020	September 24, 2010	3.00 p.m.
2010-11	Walchand Hirachand Hall, 4 th Floor, LNM - IMC Building, IMC Marg, Churchgate, Mumbai 400020	August 09, 2011	3.00 p.m.

7.1.2 During the year, no resolutions were passed through Postal Ballot.

7.2 Annual General Meeting 2012

Details of the 38th AGM are as under:

Year	Location	Date	Time
2011-12	Kilachand Conference Room, 2 nd Floor, LNM - IMC Building, IMC Marg, Churchgate, Mumbai 400020	July 24, 2012	11.00 a.m.

As required under Clause 49 VI (A), particulars of Directors seeking reappointment | appointment are given in the Notice of the AGM.

7.3 Financial Year

April 01 to March 31

7.4 Date of Book Closure

June 04, 2012 to June 07, 2012

7.5 Dividend Payment Date

NA

7.6 Listing on the Stock Exchanges

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

The Company has paid listing fees for the year 2012-13 to all the Stock Exchanges where securities are listed. Pursuant to a circular of Securities and Exchange Board of India (SEBI), Custody charges also were paid to the Depositories namely National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The ISIN number of the Equity Shares of the Company is INE841D01013. The Corporate Identity Number (CIN) is L24100MH1974PLC017594.

7.7 Stock Code

BSE: 506597 and ASE: 03310

7.8 Share Price Data and comparison with BSE Sensex

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

Month	Share price of the Company at BSE		BSE Sensex	
	High ₹	Low ₹	High	Low
April 2011	24.00	16.00	19811.14	18976.19
May 2011	20.60	15.90	19253.87	17786.13
June 2011	21.50	16.00	18873.39	17314.38
July 2011	19.75	14.75	19131.70	18131.86
August 2011	17.75	14.45	18440.07	15765.53
September 2011	17.55	15.15	17211.80	15801.01
October 2011	16.15	14.00	17908.13	15745.43
November 2011	17.15	14.50	17702.26	15478.69
December 2011	15.39	12.36	17003.71	15135.86
January 2012	12.30	10.20	17258.97	15358.02
February 2012	12.69	10.20	18523.78	17061.55
March 2012	11.85	9.76	18040.69	16920.61



7.9 Registrar and Transfer Agent

For physical and dematerialised shares:

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

C 13 Pannalal Silk Mills Compound, LBS Marg, Bhandup, Mumbai 400078, Maharashtra, India

Telephone Number: 022-25946970 Fax: 022-25946969

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

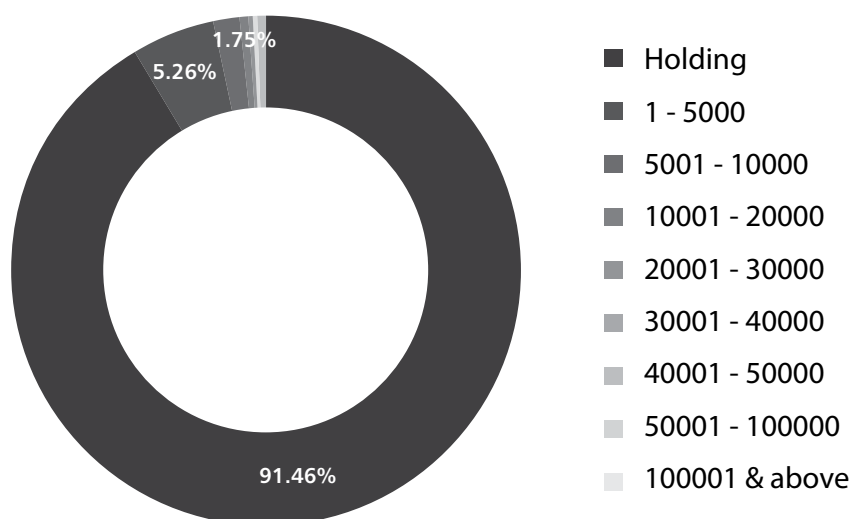
7.10 Share Transfer System

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

7.11 Distribution of Shareholding as on March 31, 2012

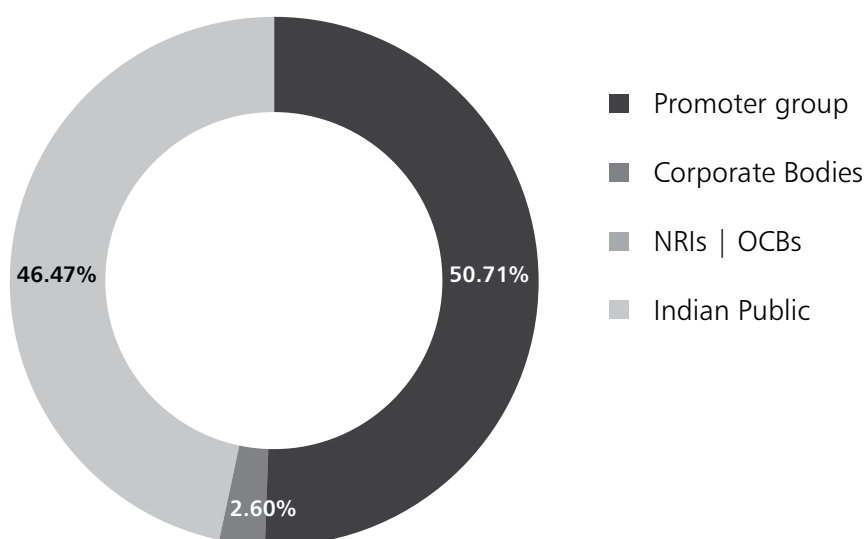
i) Shareholding wise:

Holding	Shareholders		Shares	
	Numbers	% of Total	Numbers	% of Total
1- 5000	11,332	91.46	1,461,066	20.80
5001-10000	651	5.26	494,621	7.04
10001-20000	217	1.75	315,409	4.49
20001-30000	68	0.55	166,737	2.37
30001-40000	29	0.23	102,830	1.47
40001-50000	21	0.17	100,683	1.43
50001-100000	37	0.30	269,721	3.84
100001 and above	35	0.28	4,113,933	58.56



ii) Category wise:

Category	Shares (Numbers)	Shareholding (%)
Promoter group	3,562,234	50.71
Mutual Funds	1,100	0.02
Banks and Insurance Companies	1,083	0.02
Foreign Institutional Investors	-	-
Corporate Bodies	182,789	2.60
Non-Resident Indians Overseas Corporate Bodies	12,523	0.18
Indian Public	3,265,271	46.47
Total	7,025,000	100.00



Shareholding (%)

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

7.12 Dematerialisation of shares and liquidity

Electronic holding by the Members comprising 76.60% (53,81,289 shares) of the paid-up equity share capital of the Company held through the NSDL 67.52% (47,43,123 shares) and the CDSL 9.08% (6,38,166 shares) and 23.40% (16,43,711 shares) were in physical form as on March 31, 2012.

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

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

7.14 Equity Shares held by the Non-executive Directors

Number	Name	Shares
1	Mr S S Lalbhai	3750



7.15 Locations of plants

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

7.16 Address of Mumbai office

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

7.17 Address for correspondence

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

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

7.19 Nomination facility

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

7.20 Communication

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

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

i) Compliance with the mandatory requirements

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

ii) Extent of compliance with the non-mandatory requirements

The Company complies with the following non-mandatory requirements:

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

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

9. Certification by CEO and CFO

Mr V Koppaka, Managing Director and Mr A Chhajer, Head of Finance and Compliance Officer, issued a certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreement.

The said certificate was placed before the Board at the meeting held on May 5, 2012, in which the accounts for the financial year ended March 31, 2012 were considered and approved by the Board.

10. Certification by the Statutory Auditors

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

11. Declaration by the Managing Director

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

For Amal Ltd

Mumbai
May 5, 2012

Vasudev Koppaka
Managing Director

Auditors' Certificate regarding compliance of conditions of Corporate Governance



To the Members of Amal Ltd

We have examined the compliance of conditions of Corporate Governance by Amal Ltd for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

Mumbai
May 5, 2012

Rakesh Rathi
Partner
Membership No. 45228

Notice

NOTICE is hereby given that the 38th Annual General Meeting (AGM) of the Members of the Company will be held on July 24, 2012, Tuesday, at 11.00 a.m. at Kilachand Conference Room, 2nd Floor, LNM-IMC Building, IMC Marg, Churchgate, Mumbai 400020, Maharashtra, India to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as on March 31, 2012 and the Statement of Profit and Loss for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr S S Lalbhai who retires by rotation under Article 134 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint Haribhakti & Co, Chartered Accountants (Firm Registration No. 103523W) as the Statutory Auditors and fix their remuneration.

By order of the Board

Mumbai
May 5, 2012

Vasudev Koppaka
Managing Director

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself | herself and a proxy need not be a Member.
2. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members | Body corporate | Proxies should bring duly filled in Attendance Slips sent herewith to attend the meeting. Members who hold shares in dematerialised form are requested to bring their Client and Depository Participant (DP) id for easy identification of attendance at the meeting.
4. Printed copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet for the year ending March 31, 2012 are enclosed.
5. Book closure: The Register of Members and the share transfer books of the Company will remain closed from June 04, 2012 to June 07, 2012 (both days inclusive).

6. Members holding shares in electronic form are requested to notify any change of address, nomination and power of attorney notifications to their respective DPs namely, NSDL and CDSL.
7. Members are requested to send all correspondences to the Registrar and Share Transfer Agents (R&TA) of the Company quoting their Registered Folio Number or Dematerialised Account Number and DP id.
8. Members who have multiple accounts in identical names or joint accounts in same order are requested to intimate R&TA enclosing their share certificates to consolidate all such holdings into one account for better service.
9. The shares of the Company have been admitted in both the Depositories, NSDL and CDSL. The ISIN Number allotted to the securities of the Company is INE841D01013. Members holding shares in physical mode are requested to convert their holdings into dematerialised form.
10. Members desirous of any information about the accounts of the Company are requested to write to the Company at least 7 days prior to the date of the meeting so that the required information can be made available at the meeting.
11. The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that serving notice | documents including Annual Report can be made through electronic mode to its Members. To support this green initiative of the Government in full measure, Members are requested to update their e-mail id provided to the concerned DPs.

12. Reappointment of the Director:

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

Mr S S Lalbhai holds MS Degree in Chemistry from the University of Massachusetts and MS Degree in Economic Policy and Planning from the North Eastern University. He has been on the Board of Atul Ltd since 1984 and from August 2007, he has been functioning as Chairman and Managing Director.

In 1991 and in 2006, he was appointed by the Government of India for preparing a Perspective Plan for Chemical Industry. In 1991, he was also appointed by the Government of Gujarat for preparing a blueprint for the development of Dyestuff Industry.



Date of birth	March 15, 1960
Directorships in other Companies:	Atul Ltd - (Chairman & Managing Director) Atul Bioscience Ltd - (Chairman) Atul Rajasthan Date Palms Ltd Navin Fluorine International Ltd Wyeth Ltd
Membership in committees of other companies	Atul Ltd – Investment Committee Atul Ltd – Share Transfer and Shareholders’ Investors Grievance Committee Navin Fluorine International Ltd – Audit Committee Wyeth Ltd – Shareholders’ Grievance Committee
Number of Shares in Amal Ltd	3750

Registered office

310 B Veer Savarkar Marg
Mumbai
Maharashtra, India

By Order of the Board

May 05, 2012

Vasudev Koppaka
Managing Director

Ten Year Review

(₹ in lacs)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
OPERATING RESULTS:										
Sales & Other Income	1,355.52	1,319.90	524.78	29.77	45.89	103.42	174.01	639.81	4,910.61	5,843.99
Gross Profit (PBDT)	(148.65)	16.94	37.79	(75.58)	(41.87)	(43.20)	(236.62)	(1,476.09)	(1,057.65)	240.33
Depreciation	31.63	130.10	130.27	132.02	132.26	132.64	132.61	1,858.63	255.87	225.12
Profit (Loss) Before Tax	(340.21)	(136.73)	(92.48)	(207.60)	(174.13)	(175.84)	(369.23)	(3,334.72)	(1,313.52)	15.21
Interest Waiver from OTS	-	-	467.02	218.57	-	43.67	306.10	-	-	-
Write back of prior period provisions	18.75	34.83	-	-	-	-	-	-	-	-
Write off of prior period short provisions	-	32.56	-	-	-	-	-	-	-	-
Impairment	-	237.03	-	-	-	-	-	-	-	-
Taxation	-	-	0.19	0.18	0.30	0.41	0.75	0.20	0.20	0.18
Deferred Tax (Liability) Asset (net)	-	-	3.21	(3.21)	30.89	(0.61)	(2.81)	(111.23)	85.01	(36.80)
Profit (Loss) After Tax	(321.46)	(371.50)	377.55	7.58	(143.54)	(133.19)	(66.70)	(3,446.15)	(1,228.73)	(21.77)
FINANCIAL POSITION:										
Gross Block	6,548.62	6,410.46	6,070.22	6,005.54	6,005.54	6,005.54	6,005.54	6,055.33	6,039.81	5,925.97
Net Block	588.09	481.92	509.22	575.18	707.59	840.23	973.26	1,148.51	3,405.94	3,550.43
Net Current & Other Assets	(892.22)	(224.20)	(152.87)	(663.05)	(834.22)	(825.84)	(816.15)	(1,390.68)	254.18	1,598.74
Capital Employed	(304.13)	257.72	356.35	(87.88)	(126.63)	14.39	157.11	(242.16)	3,660.12	5,149.17
Equity Share Capital	702.50	702.50	702.50	702.50	702.50	702.50	702.50	702.50	702.50	702.50
Preference Share Capital	1,000.00	1,000.00								
Reserves & Surplus	(3,675.10)	(3,353.27)	(2,981.39)	(3,950.11)	(3,957.31)	(3,813.40)	(3,744.76)	(4,320.83)	(613.05)	638.63
Advance towards Share Capital	-	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00
Shareholders' Funds	(1,972.60)	(1,410.77)	(2,038.89)	(3,007.61)	(3,014.81)	(2,870.90)	(2,802.26)	(3,378.33)	329.45	1,581.13
Borrowings	1,668.47	1,668.50	2,395.24	2,919.75	2,888.19	2,885.29	2,959.37	3,136.17	3,330.67	3,568.04
KEY RATIO:										
Dividend (%)	-	-	-	-	-	-	-	-	-	-
Earning per Share ₹	(4.58)	(5.29)	5.37	0.11	(2.04)	(1.90)	(0.95)	(49.06)	(17.49)	(0.31)
Book Value Per Share ₹	(28.08)	(20.08)	(29.02)	(42.81)	(42.92)	(40.87)	(39.89)	(48.09)	4.69	22.51

Report of the Auditors to the Members



1. We have audited the attached Balance Sheet of Amal Limited ('the Company') as at March 31, 2012 and also the related Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v. On the basis of the written representations received from the Directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. Without qualifying our opinion, we draw attention to Note 32 of annual accounts, with regard to preparation of financial statements on a going concern basis for reasons stated therein and filing of Draft Rehabilitation Scheme for approval of Board of Industrial and Financial Reconstruction (BIFR) after review of operating agency.
- vii. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and also give, read in particular with Note 32, a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Rakesh Rathi
Partner

Place: Mumbai
Date: May 5, 2012

Membership No. 45228

Annexure to Report of the Auditors

Referred to in paragraph 3 of the Auditors' Report of even date to the Members of **Amal Limited** on the financial statements for the year ended March 31, 2012

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the Order are not applicable.
- (b) The Company has taken interest free loan from one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1,66,847 (in '000) and the year-end balance of loans taken from such party was ₹ 1,66,847 (in '000).
- (c) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (d) As informed to us, no repayment was due during the year of principal amount of loan taken by the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in the aforesaid internal control system of the Company.
- (v) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.

Further, in our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year-end, for a period of more than six months from the date they became payable.



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

Name of the statute	Nature of dues	Amount (₹ in '000)	Period to which the amount relates	Forum where dispute is pending
The Gujarat Sales Tax Act, 1969	Sales Tax	1,039	1999-00	Gujarat VAT Tribunal
The Gujarat Sales Tax Act, 1969	Sales Tax	1,864	2001-02	Gujarat VAT Tribunal
The Gujarat Sales Tax Act, 1969	Sales Tax	2,385	2002-03	Gujarat VAT Tribunal
The Gujarat Sales Tax Act, 1969	Sales Tax	1,380*	2003-04	Gujarat VAT Tribunal

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

- (x) In our opinion, the accumulated losses of the Company as at March 31, 2012 are more than 50% of its net worth as at the end of the year. Further, the Company has incurred cash loss during the current year and in the immediately preceding previous year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi | mutual benefit fund | society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of
- the Company, we report that funds raised to the tune of ₹ 12,884 (in '000) on short-term basis have been used for long-term investment, majority of which is on account of additions to fixed assets.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotments of shares during the year to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Rakesh Rathi
Partner

Place: Mumbai
Date: May 5, 2012

Membership No. 45228

Balance Sheet as at March 31, 2012

(₹ in '000)

Particulars	Note	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	170,250	170,250
(b) Reserves and surplus	4	(367,510)	(335,327)
2 Non-current liabilities	5		
(a) Long-term borrowings		166,847	166,847
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities		24,000	24,000
(d) Long-term provisions		82	113
3 Current liabilities	6		
(a) Short-term borrowings		-	-
(b) Trade payables		32,798	22,652
(c) Other current liabilities		45,982	11,412
(d) Short-term provisions		6,163	6,141
TOTAL		78,612	66,089
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	7		
(i) Tangible assets		58,502	45,187
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		307	3,005
(b) Non-current investments	8	210	210
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	9	7,571	5,334
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments		-	-
(b) Inventories	10	4,958	4,786
(c) Trade receivables	11	1,569	2,237
(d) Cash and cash equivalents	12	60	363
(e) Short-term loans and advances	13	9	95
(f) Other current assets	14	5,426	4,871
TOTAL		78,612	66,089
Significant Accounting Policies	2		

As per our attached report of even date
For **Haribhakti & Co**
Chartered Accountants

Rakesh Rathi
Partner

Arvind Chhajer
Company Secretary

Place: Mumbai
Date: May 5, 2012

For and on behalf of the Board of Directors

Naresh C Singhal

T R Gopi Kannan

Sujal A Shah

Abhay R Jadeja
Directors

Sunil S Lalbhai
Chairman

Vasudev Koppaka
Managing Director

Place: Mumbai
Date: May 5, 2012

Statement of Profit and Loss for the year ended March 31, 2012



(₹ in '000)

Particulars	Note	2011-12	2010-11
I Revenue from operations	15		
Sale of products		148,042	145,818
Other operating revenues		922	-
Less:			
Excise duty		(13,584)	(13,936)
		135,380	131,882
II Other income	16	172	108
III Total Revenue (I + II)		135,552	131,990
IV Expenses:			
Cost of materials consumed	17	107,813	85,823
Changes in inventories of finished goods and work-in-progress		(1,096)	2,356
Manufacturing expense	18	43,700	31,777
Employee benefit expense	19	5,839	1,834
Administration and other expenses	20	10,095	10,298
Finance costs	21	59	566
Depreciation and amortisation expense		3,201	13,048
Less: Transfer from Revaluation Reserve		(38)	(38)
Total expenses		169,573	145,664
V Profit before exceptional and extraordinary items and tax (III - IV)		(34,021)	(13,674)
VI Exceptional items Expense (Income)	22	(1,875)	23,476
VII Profit before extraordinary items and tax (V - VI)		(32,146)	(37,150)
VIII Extraordinary Items			-
IX Profit before tax (VII - VIII)		(32,146)	(37,150)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI Profit (Loss) for the period (IX - X)		(32,146)	(37,150)
XII Earnings per equity share:			
(1) Basic		(4.58)	(5.29)
(2) Diluted		(4.58)	(5.29)
Significant Accounting Policies	2		

As per our attached report of even date
For **Haribhakti & Co**
Chartered Accountants

Rakesh Rathi
Partner

Arvind Chhajer
Company Secretary

Place: Mumbai
Date: May 5, 2012

For and on behalf of the Board of Directors

Naresh C Singhal

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Abhay R Jadeja
Directors

Place: Mumbai
Date: May 5, 2012

Sunil S Lalbhai
Chairman

Vasudev Koppaka
Managing Director

Cash Flow Statement for the year ended March 31, 2012

(₹ in '000)

Particulars	2011-12		2010-11	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax & extraordinary items		(32,146)		(37,150)
Adjustments for				
Add:				
Depreciation & Impairment	3,163		36,713	
Interest & Finance charges	47		536	
Sundry balance written off	87		-	
		3,297		37,249
		(28,849)		99
Less:				
Dividend	53		21	
Interest received	63		25	
Provision no longer required	1,959		3,220	
Miscellaneous credit balances written back	3		263	
		2,078		3,529
Operating Profit before Working Capital changes		(30,927)		(3,430)
Adjustments for				
Inventories	(172)		8,272	
Trade & Other receivables	667		(463)	
Short-term loans and advances	86		(7)	
Other current assets	(764)		7,028	
Long-term loans and advances	(2,237)		792	
Long-term provisions	(31)		56	
Other current liabilities	34,570		(3,669)	
Short-term provisions	1,981		9,096	
Trade & Other payables	10,143		(12,634)	
		44,243		8,471
Cash generated from Operations		13,316		5,041
Less:				
Direct Taxes refund (paid)		128		-
Net cash flow from operating activities	A	13,444		5,041
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets and Capital advances	(13,816)		(34,022)	
Interest Received	63		25	
Dividend Received	53		21	
Sale of Fixed Asset	-		-	
Net cash used in investing activities	B	(13,700)		(33,976)



Cash Flow Statement

for the year ended March 31, 2012 (contd.)

(₹ in '000)

Particulars	2011-12	2010-11
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(47)	(536)
Increase in borrowings (net)	-	27,324
Net cash (used in) flow from financing activities C	(47)	26,788
Net change in cash & cash equivalents (A+B+C)	(303)	(2,145)
Cash & Cash equivalents (Opening Balance)	363	2,508
Cash & Cash equivalents (Closing Balance)	60	363
	(303)	(2,145)

Notes to the Cash Flow Statement for the year ended March 31, 2012

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

As per our attached report of even date

For **Haribhakti & Co**
Chartered Accountants

Rakesh Rathi
Partner

Arvind Chhajer
Company Secretary

Place: Mumbai
Date: May 5, 2012

For and on behalf of the Board of Directors

Naresh C Singhal

T R Gopi Kannan

Sujal A Shah

Abhay R Jadeja
Directors

Sunil S Lalbhai
Chairman

Vasudev Koppaka
Managing Director

Place: Mumbai
Date: May 5, 2012

Notes to financial statements for the year ended March 31, 2012

1. Corporate Information

AMAL Limited is a public company domiciled in India and incorporated on July 4, 1974 with the Registrar of Companies, Maharashtra under the provisions of the Companies Act, 1956. Its shares are listed on ASE and BSE. AMAL was incorporated under the name PIRAMAL Rasayan Limited on July 4, 1974. Its name was subsequently changed to AMAL Rasayan Limited by the said Registrar of Companies on November 10, 1986 and further to AMAL Products Limited on November 23, 1995 and further to its present name viz AMAL Limited on September 11, 2003. The Company is engaged in the manufacturing of Speciality Chemicals (Sulphuric Acid | Oleum).

2. Basis of preparation

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

2.1 Summary of significant accounting policies

A. Presentation & Preparation of Financial Statements:

As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956 is applicable to the Financial Statements for the financial year commencing on or after April 1, 2011. Accordingly, the financial statements for the year ended March 31, 2012 are prepared in accordance with the Revised Schedule VI. The amounts and disclosures included in the financial statements of the previous year have been reclassified to conform to the requirements of Revised Schedule VI.

B. Use of Estimates:

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

C. Fixed Assets:

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

D. Leased Assets:

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

E. Depreciation and Amortisation:

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



F. Impairment of Assets:

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

G. Borrowing Costs:

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

H. Investments:

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

I. Inventories:

- i. Raw materials, packing materials and fuel are valued at cost. Cost is arrived at on FIFO basis.
- ii. Stores and spares other than specific spares for machinery are valued at cost. Cost is arrived at on FIFO basis.
- iii. Materials-in-process and finished goods are valued at cost or net realisable value whichever is lower. Finished goods stocks are valued at full absorption cost (including excise duty).
- iv. Materials in transit and in Bonded Warehouse are stated at the cost to the date of Balance Sheet.

J. Foreign Currency Transaction:

i. Initial Recognition:

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

ii. Conversion:

At the year-end, monetary items denominated in foreign currencies remaining unsettled are converted into rupee equivalents at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii. Exchange Differences:

All exchange differences arising on settlement and conversion of foreign currency transactions are included in the Statement of Profit and Loss.

K. Revenue Recognition:

i. Sale of Goods:

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

ii. Lease rental income is recognised on accrual basis.

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

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

L. Provisions, Contingent Liabilities and Contingent Assets:

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

Notes to financial statements for the year ended March 31, 2012

No provision is recognised for –

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

M. Research & Development Expenditure:

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

N. Employee Benefits:

i. Defined Contribution Plan:

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

ii. Defined Benefit Plan:

Gratuity:

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

Long-term Leave Encashment:

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

iii. Short-term Employee Benefits:

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

iv. Voluntary Retirements:

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

O. Taxation:

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

P. Earnings Per Share:

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



3. SHARE CAPITAL

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	₹ '000	Number	₹ '000
Authorised				
0% Redeemable Preference Shares of ₹ 10 each	10,000,000	100,000	10,000,000	100,000
Equity Shares of ₹ 10 each	15,000,000	150,000	15,000,000	150,000
Issued, Subscribed & fully Paid up				
0% Redeemable Preference Shares of ₹10 each	10,000,000	100,000	10,000,000	100,000
Equity Shares of ₹ 10 each	7,025,000	70,250	7,025,000	70,250
Total	17,025,000	170,250	17,025,000	170,250

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Preference Shares			
	As at March 31, 2012		As at March 31, 2011	
	Number	₹ '000	Number	₹ '000
Shares outstanding at the beginning of the year	10,000,000	100,000	-	-
Shares Issued during the year	-	-	10,000,000	100,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,000,000	100,000	10,000,000	100,000

Particulars	Equity Shares			
	As at March 31, 2012		As at March 31, 2011	
	Number	₹ '000	Number	₹ '000
Shares outstanding at the beginning of the year	7,025,000	70,250	7,025,000	70,250
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	7,025,000	70,250	7,025,000	70,250

b) Terms | rights attached to preference shares

The Company has only one class of 0% redeemable preference shares having a par value of ₹10 per share. These shares are redeemable over a period of 5 years starting from 2013-2014 as per the Draft Rehabilitation Scheme (DRS) submitted to BIFR. The scheme is subject to approval of BIFR.

c) Terms | rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	Preference Shares			
	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Atul Limited	10,000,000	100	10,000,000	100

Notes to financial statements for the year ended March 31, 2012

Name of Shareholder	Equity Shares			
	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Atul Limited	412,453	5.87	412,453	5.87
Ameer Trading Corporation Ltd.	2,168,824	30.87	2,168,824	30.87

e) Shares issued consideration other than cash

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Preference Shares:	
Fully paid-up pursuant to contract(s) without payment being received in cash	-
Fully paid-up by way of bonus shares	-
Shares bought back	-
Equity Shares:	
Fully paid-up pursuant to contract(s) without payment being received in cash	-
Fully paid-up by way of bonus shares	-
Shares bought back	-

4. RESERVE & SURPLUS

(₹ in '000)

Particulars	As at March 31, 2012	As at March 31, 2011
Securities Premium Account		
Opening Balance	87,688	87,688
Add: Securities premium credited on Share issue	-	-
Less: Premium utilised for various reasons	-	-
Closing Balance	87,688	87,688
Revaluation Reserve		
Opening Balance	2,560	2,598
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	(38)	(38)
Closing Balance	2,522	2,560
Surplus		
Opening Balance	(425,574)	(388,424)
(+) Net Profit (Net Loss) For the current year	(32,146)	(37,150)
Closing Balance	(457,720)	(425,574)
Total	(367,510)	(335,327)



5. NON-CURRENT LIABILITIES

(₹ in '000)

Long-term Borrowings	As at March 31, 2012	As at March 31, 2011
Secured		
Loans and advances from related parties See Note 1 below	112,889	112,889
	112,889	112,889
Unsecured		
Loans and advances from related parties (of the above, ₹ NIL is guaranteed by Directors and or others)	53,958	53,958
	53,958	53,958
Total	166,847	166,847

Note

1. The Company had reached a One Time Settlement with the secured creditors comprising of Corporate | Term loans availed from the banks and financial institutions under which the payments were made directly by the lender Company (Atul Limited) to them. By way of execution of deed of Assignment of debts owed by the Company, the lender Company has now acquired from these banks and financial institutions the debts and rights, title and interest in encumbrances, facility and underlying securities including inter alia comprised of movable and immovable properties that have been charged by the Company in favour of these banks and financial institutions pursuant to the original deed of hypothecation entered into by the Company. The entire dues | debts against the banks and financial institutions have been fully satisfied for which "No dues | debts certificates" have been obtained from them and the charges have been modified and stands in favour of the lender Company (Atul Limited) as Secured loans.
2. Terms of repayment of term loans:
 - a. Secured loan from Atul Limited shall be repaid in six yearly installments, five installments will be of ₹ 200.00 lacs w.e.f FY 2016-17 and last sixth installment will be of ₹ 128.89 lacs will be repaid in the FY 2021-22 as per the Draft Rehabilitation Scheme (DRS) submitted to BIFR. The scheme is subject to approval of BIFR.
 - b. Unsecured loan is repayable after March 31, 2013 upon terms and conditions which will be mutually decided between the Company and the lender.

(₹ in '000)

Other Long-term Liabilities	As at March 31, 2012	As at March 31, 2011
Advance towards Share Capital (See note below)	24,000	24,000
Total	24,000	24,000

Note

Advance towards share capital amount to ₹ 240 lacs refers to the amount received from the promoter company towards share capital during the year 1996-97 which has not been refunded. The Company has proposed to issue the equity shares of ₹ 10/- each to the promoter company at par in the scheme submitted to BIFR. The Company has sufficient authorised capital for the same. In the event that BIFR approval is not received the above amount is not repayable before March 31, 2013.

(₹ in '000)

Long-term Provisions	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits		
Leave Encashment (unfunded)	82	113
Total	82	113

Notes to financial statements for the year ended March 31, 2012

6. CURRENT LIABILITIES

(₹ in '000)

Other Current Liabilities	As at March 31, 2012	As at March 31, 2011
Interest accrued and due on borrowings	231	231
Commission payable	2,343	2,343
Other Deposits	1,032	1,032
Service Tax payable	1	72
Excise Duty payable	121	303
VAT payable	193	11
TDS payable	412	279
Other taxes & benefits payable	29	26
Salary payable	448	221
Advance from customers others	41,172	6,894
Total	45,982	11,412

(₹ in '000)

Short-term Provisions	As at March 31, 2012	As at March 31, 2011
(a) Provision for employee benefits		
Gratuity (Funded)	-	-
Leave Encashment (unfunded)	9	13
Superannuation (funded)	-	-
(b) Others		
Provision for Expenses	6,017	2,813
Provision for Goods	47	3,230
Provision for Wealth Tax	90	85
Total	6,163	6,141

Notes to financial statements for the year ended March 31, 2012

(₹ in '000)

Particulars	GROSS BLOCK		ACCUMULATED DEPRECIATION		IMPAIRMENT FUND		NET BLOCK	
	Balance as at April 1, 2011	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation charge for the year 2012	Balance as at April 1, 2011	Impairment for the year 2012	Balance as at April 1, 2011	Balance as at March 31, 2012
A. Tangible Assets (Not Under Lease)								
Land	553	553	-	-	-	-	553	553
Buildings	70,378	70,378	25,423	107	40,816	-	4,139	4,032
Plant and Equipment	556,952	572,894	335,627	2,920	184,349	-	36,975	49,999
Furniture and Fixtures	2,465	2,465	2,350	2	-	-	115	113
Vehicles	36	608	36	40	-	-	-	532
Office equipment	3,360	3,360	3,023	87	-	-	337	250
Total (i)	633,744	650,258	366,459	3,156	225,165	-	42,119	55,479
Tangible Assets (Under Lease)								
Land	4,297	4,297	1,229	45	-	-	3,068	3,023
Total (ii)	4,297	4,297	1,229	45	-	-	3,068	3,023
Total (i+ii)	638,041	654,555	367,688	3,201	225,165	-	45,187	58,502
B. Intangible Assets								
Total	-	-	-	-	-	-	-	-
C. Capital Work-in-Progress								
Total	3,005	307	-	-	-	-	3,005	307
Grand Total	641,046	654,862	367,688	3,201	225,165	-	48,192	58,809

Note:

The Gross Block includes amounts added on revaluation of leasehold land, building and plant & machinery at Ankleshwar, on April 1, 1985 by external valuers on the Replacement Value Method. Revalued amounts added to historical cost were as under.

(₹ in '000)

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



Notes to financial statements for the year ended March 31, 2012

8. Other Non-Trade Investments

(₹ in '000)

Particulars	As at March 31, 2012	As at March 31, 2011
Unquoted Investments (Refer below)		
Investment in Equity instruments	1,719	1,719
Less: Provision for diminution in the value of Investments	1,509	1,509
Total	210	210

Details of Other Investments

Sr. No.	Particulars	Subsidiary Associate JV Controlled Special Purpose Entity Others	No. of Shares Units		Quoted Unquoted	Partly Paid Fully paid	Amount (₹) in '000		Basis of Valuation*
			2012	2011			2012	2011	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Investment in Equity Instruments								
1	Gujarat Synthwood Ltd. - Equity shares of ₹ 10/- each	Others	100,000	100,000	Unquoted	Fully paid	1,000	1,000	Cost*
2	Aakar Performance Plastics Ltd - Equity shares of ₹ 10/- each	Others	880	880	Unquoted	Fully paid	9	9	Cost*
3	Valmiki Poly Products Ltd - Equity shares of ₹ 10/- each	Others	40,000	40,000	Unquoted	Fully paid	400	400	Cost*
4	Zoroastrian Co-operative Bank Ltd. - Equity shares of ₹ 25/- each	Others	4,000	4,000	Unquoted	Fully paid	100	100	Cost*
5	Bharuch Enviro Infrastructure Ltd. - Equity shares of ₹ 10/- each (See note (a) below)	Others	21,000	21,000	Unquoted	Fully paid	210	210	Cost
6	Bharuch Eco Aqua Infrastructure Ltd. - Equity shares of ₹ 10/- each ₹ 2 per share paid-up (See note (b) below)	Others	369,715	369,715	Unquoted	Partly paid	-	-	-
	Total						1,719	1,719	

Note

	Book Value As at March 31,		Market Value As at March 31,	
	2012	2011	2012	2011
(a) Aggregate of unquoted investments	210	210	210	210

(b) Cost of shares of Bharuch Eco Aqua Infrastructure added as a part of deferred revenue expenditure and charged off as per Accounting policy over 5 years starting from Financial Year 2000-01 to 2004-05.

* Fully Impaired



9. LONG-TERM LOANS & ADVANCES

(₹ in '000)

Particulars	As at March 31, 2012	As at March 31, 2011
Security Deposits		
Unsecured, considered good	3,442	2,794
	3,442	2,794
Loans and advances to related parties		
	-	-
Other loans and advances		
VAT Receivable	3,778	2,190
Income Tax Refund Receivable	351	351
Doubtful		
Interest Receivable	878	878
Less: Provision	(878)	(878)
	4,129	2,541
Total	7,571	5,335

10. INVENTORIES

(₹ in '000)

Particulars	As at March 31, 2012	As at March 31, 2011
Raw Materials and components (Valued at cost)	175	1,051
Work-in-progress (Valued at cost or net realisable value whichever is low)	1,316	254
Finished goods		
Internally Manufactured (Valued at cost or net realisable value whichever is low)	979	945
Stores and spares (Valued at cost)	2,488	2,536
Total	4,958	4,786

11. TRADE RECEIVABLES

(₹ in '000)

Particulars	As at March 31, 2012	As at March 31, 2011
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	1,407	2,112
Unsecured, considered doubtful	-	-
	1,407	2,112
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	162	125
Unsecured, considered doubtful	-	-
	162	125
Total	1,569	2,237

Notes to financial statements for the year ended March 31, 2012

12. CASH AND CASH EQUIVALENTS

(₹ in '000)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
a. Balances with banks in Current Accounts	59	348
b. Cash on hand	1	15
Total	60	363

13. SHORT-TERM LOANS AND ADVANCES

(₹ in '000)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Unsecured, considered good	9	95
Total	9	95

14. OTHER CURRENT ASSETS

(₹ in '000)

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Balance with Excise Service Tax and Customs	2,687	1,871
Income Tax paid in advance TDS	9	112
Prepayments	592	439
Advances to Creditors	1,734	2,449
TCS Refundable	404	-
Total	5,426	4,871



15. REVENUE FROM OPERATIONS

(₹ in '000)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of products	138,840	145,818
Sale of Steam	9,202	-
Other operating revenues	922	-
	148,964	145,818
Less: Excise Duty	13,584	13,936
Total	135,380	131,882

16. OTHER INCOME

(₹ in '000)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest Income	63	25
Dividend Income	53	21
Miscellaneous Income	56	62
Total	172	108

17. COST OF MATERIALS CONSUMED

(₹ in '000)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Inventory at the beginning of the year	1,051	1,963
Add: Purchases	106,937	84,911
	107,988	86,874
Less: Inventory at the end of the year	175	1,051
Total	107,813	85,823

Changes in Inventories

Inventory at the end of the year

(₹ in '000)

Particulars	As at March 31, 2012	As at March 31, 2011	Increase Decrease
Work-in-progress	1,316	254	1,062
Finished goods	979	945	34
Total	2,295	1,199	1,096

Inventory at the beginning of the year

(₹ in '000)

Particulars	As at March 31, 2011	As at March 31, 2010	Increase Decrease
Work-in-progress	254	1,088	(834)
Finished goods	945	2,467	(1,522)
Total	1,199	3,555	(2,356)

Notes to financial statements for the year ended March 31, 2012

18. MANUFACTURING EXPENSES

(₹ in '000)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Power, Fuel and Water	17,720	14,215
Plant Operation Charges	4,639	4,525
Consumption of Engg. Items	13,651	9,802
Machinery Repairs	6,028	1,672
Material Handling Charges	737	651
ETP Expenses	925	912
Total	43,700	31,777

19. EMPLOYEE BENEFIT EXPENSE

(₹ in '000)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Salary, Wages and Bonus	5,265	1,623
Contribution to Provident & Other Funds	530	190
Staff Welfare Allowance	44	21
Total	5,839	1,834

20. ADMINISTRATION & OTHER EXPENSES

(₹ in '000)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Legal & Professional Charges	1,280	695
Operating Agency Fees Expenses	619	-
Lease Rentals	144	144
Security Service Charges	2,006	1,559
Rates & Taxes	512	626
Insurance	92	43
Freight & Forwarding	191	84
Cash Discount	680	1,299
Commission	105	196
Business and Auxiliary Service Charges	1,138	1,128
Travelling Expenses	238	263
Printing & Stationery	329	282
Postage & Telephone Expenses	257	191
Directors' Sitting Fees	280	263
Directors' Remuneration	710	492
Payment to Internal & VAT Auditors	243	242
Payment to Statutory & Tax Auditor	550	488
Payment to Cost Auditors	12	12
Garden Maintenance & House-keeping	232	137
Listing & Depository Membership Fees	78	73
Exchange Loss on Import Goods	-	104
Penalties & Fines	-	1,019
Fees for increase in capital	-	708
Miscellaneous Expenses	399	249
Total	10,095	10,297



21. FINANCE COST

(₹ in '000)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest expense	47	536
Bank Charges	12	30
Total	59	566

22. EXCEPTIONAL ITEMS

(₹ in '000)

Particulars	As at March 31, 2012	As at March 31, 2011
Income		
Sundry Balance Written Back	3	263
Excess Provisions of Previous Year Written Back	1,959	3,220
Expenses		
Sundry Balance Written Off	87	3,256
Impairment of Plant and Machinery	-	23,703
Total	1,875	(23,476)

23. CONTINGENT LIABILITIES

(₹ in '000)

Particulars	2011-12	2010-11
Contingent liabilities not provided for in respect of		
i. Sales tax matter under appeal	6,668	6,454
ii. Estimated amount of contract remaining to be executed on capital accounts and not provided for (net of advances)	-	3,230

24. PAYMENT TO AUDITORS

(₹ in '000)

Particulars	2011-12	2010-11
(i) As Statutory Auditors	450	388
(ii) For Taxation matters	100	100
	550	488

25. CIF VALUE OF IMPORTS | EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY

(₹ in '000)

Particulars	2011-12	2010-11
(a) C I F value of imports:		
Raw Materials	-	6,055
(b) Expenditure and earnings in foreign currency	-	-

Notes to financial statements for the year ended March 31, 2012

26. DETAILS OF RAW MATERIALS CONSUMPTION

(₹ in '000)

(a) Raw materials consumption:	2011-12	2010-11
Sulphur	106,501.26	84,981.89
Others	1,311.74	840.72
Total	107,813.00	85,822.61

(b) Imported and indigenous raw materials consumption:

Category	2011-12		2010-11	
	(₹ '000)	%	(₹ '000)	%
Imported	-	-	6,054.79	7.06
Indigenous	107,813.00	100.00	79,767.81	92.94
Total	107,813.00	100.00	85,822.60	100.00

27. STOCKS AND TURNOVER

(₹ in '000)

Class of Goods	Stocks at commencement		Stocks at close	
	2011-12	2010-11	2011-12	2010-11
Goods manufactured:				
Sulphuric Acid (Equivalent production)	944.82	2,466.53	1,100.11	944.82
Total	944.82	2,466.53	1,100.11	944.82

(₹ in '000)

Class of Goods	Turnover	
	2011-12	2010-11
Goods manufactured:		
Sulphuric Acid (Equivalent production)	138,839.93	145,817.87
Steam	9,201.56	-
Total	148,041.49	145,817.87

28. DEFERRED TAX ADJUSTMENT RECOGNISED IN THE FINANCIAL STATEMENTS

(₹ in '000)

Particulars	Balance as at March 31, 2012	Charge Credit during the year	Balance as at March 31, 2011
Deferred Tax Assets:			
on account of timing difference in			
(a) Depreciation Impairment loss	6,881	(2,921)	9,802
(b) Provision for leave encashment	28	(11)	39
(c) Excise duty on closing stock	37	10	27
Net deferred tax assets	6,946	(2,922)	9,868

In view of prudence, no deferred tax assets has been recognised as on March 31, 2012

29. RELATED PARTY DISCLOSURE

a) Name of related party and nature of relationship:

Sr. No.	Name of the related party	Description of relationship
Directly controlled Enterprises:		
1	Atul Limited	Investing Company
2	Atul Europe Limited	Enterprise over which key managerial personnel exercise significant influence
3	Ameer Trading Corporation Limited	Investing Company
Key management personnel:		
4	Mr V Koppaka	Managing Director



b) Transaction during the year with related parties:

(₹ in '000)

Sr. No.	Nature of Transaction	Atul Ltd.	Atul Europe Ltd.	Ameer Trading Corporation Ltd.	Total
(A)	Secured Loans				
	Balance as at April 1, 2011	112,889	-	-	112,889
		(212,889)	-	-	(212,889)
	Taken during the period	-	-	-	-
		-	-	-	-
	Repaid during the period	-	-	-	-
		(100,000)	-	-	(100,000)
	Balance as at March 31, 2012	112,889	-	-	112,889
		(112,889)	-	-	(112,889)
(B)	Unsecured Loans				
	Balance as at April 1, 2011	53,958	-	-	53,958
		(26,635)	-	-	(26,635)
	Taken during the period	-	-	-	-
		(27,323)	-	-	(27,323)
	Repaid during the period	-	-	-	-
		-	-	-	-
	Balance as at March 31, 2012	53,958	-	-	53,958
		(53,958)	-	-	(53,958)
(C)	Other Long-term Liabilities				
	Advance towards Share Capital				
	Balance as at March 31, 2012	-	-	24,000	24,000
		-	-	(24,000)	(24,000)
(D)	Sundry Debtors				
	Balance as at March 31, 2012	235	-	-	235
		(1,202)	-	-	(1,202)
(E)	Advance from Customers				
	Balance as at March 31, 2012	35,222	-	-	35,222
		(1,166)	-	-	(1,166)
(F)	Sundry Creditors				
	Balance as at March 31, 2012	14,732	-	298	15,030
		(11,627)	(130)	(298)	(12,055)
(G)	Income				
	Sales	88,379	-	-	88,379
		(69,937)	-	-	(69,937)
	Service Charges	418	-	-	418
		-	-	-	-
(H)	Expenditure				
	Purchase of Fixed assets	2,683	-	-	2,683
		(38,322)	-	-	(38,322)
	Purchase of Materials	399	-	-	399
		-	-	-	-
	Reimbursement of Expenses	-	-	4	4
		-	-	-	-
(I)	Redeemable Preference Shares				
		100,000	-	-	100,000
		(100,000)	-	-	(100,000)

Note: Figures in bracket indicate previous year figures.

Notes to financial statements for the year ended March 31, 2012

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

30. EARNING PER SHARE

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

Particulars		March 31, 2012	March 31, 2011
Loss for the year attributable to the equity shareholders	(₹ in '000)	(32,146)	(37,150)
Basic weighted average number of Equity Shares outstanding during the year	Number	7,025,000	7,025,000
Nominal value of equity share	₹	10	10
Basic Earning per Share	₹	(4.58)	(5.29)
Diluted Earning per Share	₹	(4.58)	(5.29)

31. LEASE

The Company has taken land on lease at Atul from M/s. Atul Ltd. for 97 years from February 03, 1996 on annual lease rent of ₹ 8,000/-.

32. GOING CONCERN

The Company was declared sick by Board of Industrial and Financial Reconstruction (BIFR) on July 20, 2006 and BIFR vide its order dated July 16, 2009 sanctioned the revival scheme for the Company which was further modified in June 2010. Relevant adjustments as required by the scheme including recasting of creditors had been carried out in books of account.

Subsequently, the Appellate Authority of Industrial and Financial Reconstruction (AAIFR) vide its order dated March 22, 2011 allowed the appeal filed by one of the unsecured creditors and remanded the case back to the BIFR for considering revival scheme through operating agency. BIFR vide its order dated October 11, 2011 appointed IDBI bank as operating agency. IDBI has reviewed the Draft Rehabilitation Scheme (DRS) prepared by the Company and submitted the same to BIFR on February 16, 2012.

The DRS envisages revival plan which is a multi faceted approach for improving the operational and financial strength of the Company. The management believes that DRS will further facilitate the revival and will have no adverse effects on the state of affairs of the company if approved as proposed. Consequential adjustments, if any, will be made in books of account upon approval of scheme by BIFR. Further, the Company has also completed its capacity expansion of Sulphuric Acid plant at Ankleshwar from 120 TPD to 140 TPD. In view of above developments, the accounts have been prepared on a going concern basis.

33. MICRO, SMALL AND MEDIUM ENTERPRISE DUES

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

(₹ in '000)

Sr. No.	Particulars	As at March 31, 2012	As at March 31, 2011
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
	Principal	-	-
	Interest	-	-
(b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-



(₹ in '000)

Sr. No.	Particulars	As at March 31, 2012	As at March 31, 2011
(d)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Above disclosures have been made based on information available with the Company, for suppliers who are registered as Micro, Small and Medium Enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006, as at March 31, 2012. The auditors have relied upon in respect of this matter.

34. EMPLOYEE BENEFITS

(A) Defined contribution plans:

- a. Provident fund
- b. State defined contribution plans
 - Employers' contribution to Employees' State Insurance
 - Employers' contribution to Employees' Pension Scheme, 1995

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

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(₹ in '000)

Sr. No.	Particulars	2011-12	2010-11
1	Contribution to Provident Fund	131	33
2	Contribution to Employees Pension Scheme, 1995	70	37
3	Contribution to Employees State Insurance	65	39

(B) Defined benefit plans:

- a. Gratuity
- b. Leave Encashment

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

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

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

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011-12	2010-11	2011-12	2010-11
1	Discount Rate (per annum)	8.75%	7.93%	8.75%	8.00%
2	Rate of increase in Compensation levels	6.00%	6.00%	6.00%	6.00%
3	Rate of Return on Plan Assets	8.60%	9.00%	0.00%	0.00%

Notes to financial statements for the year ended March 31, 2012

(₹ in '000)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011-12	2010-11	2011-12	2010-11
(i)	Changes in present value of obligation				
	Opening balance of present value of obligation	326.27	277.47	125.75	87.51
	Liability on transfer in (out) of Employees (Net)	(154.22)	-	(47.09)	-
	Interest Cost	25.87	22.00	10.50	7.31
	Current Service Cost	37.74	24.41	25.14	36.62
	Benefits Paid	-	(71.94)	-	-
	Actuarial (Gain) Loss	(18.21)	74.33	(23.42)	(5.69)
	Closing balance of present value of obligation	217.45	326.27	90.88	125.75
(ii)	Changes in fair value of plan assets				
	Opening balance of present value of plan assets	1,037.48	1,019.89	-	-
	Planned Assets on transfer in (out) of Employees (Net)	-	-	-	-
	Expected return on plan assets	83.00	92.58	-	-
	Contributions	-	3.27	-	-
	Benefits Paid	-	(71.94)	-	-
	Actuarial (Gain) Loss on Plan Assets	10.37	(6.32)	-	-
	Closing balance of fair value of plan assets	1,130.85	1,037.48	-	-
(iii)	Percentage of each category of plan assets to total fair value of plan assets as at March 31				
	Administered by LIC of India	100%	100%	-	-
(iv)	Reconciliation of Present Value of Defined Present Obligation and the fair value of Assets				
	Closing balance of present value of obligation	217.45	326.27	90.88	125.75
	Closing balance of fair value of plan assets	1,130.85	1,037.48	-	-
	(Asset) Liability recognised in the Balance Sheet	(913.40)	(711.21)	90.88	125.75
(v)	Net asset (liability) recognised in the Balance Sheet as at March 31				
	Closing balance of Present value of obligation	217.45	326.27	90.88	125.75
	Closing balance of Fair value of plan assets	1,130.85	1,037.48	-	-
	Funded (Asset) Liability recognised in the Balance Sheet	(913.40)	(711.21)	-	-
	Unfunded (Asset) Liability recognised in the Balance Sheet	-	-	90.88	125.75
(vi)	Expenses recognised in Statement of Profit & Loss				
	Current Service Cost	37.74	24.41	25.14	36.62
	Interest Cost	25.87	22.00	10.50	7.31
	Expected return on plan assets	(83.00)	(92.58)	-	-
	Net Actuarial Loss (Gains)	(28.58)	80.64	(23.42)	(5.69)
	Expenses recognised in Statement of Profit & Loss	(47.97)	34.48	12.22	38.24
(vii)	a) Experience adjustments				
	On Plan Liabilities (Gain) Loss	(9.87)	-	(22.04)	-
	On Plan Assets (Gain) Loss	10.37	-	-	-
	Total Experience Adjustments	(0.50)	-	-	-
	b) Adjustment due to change in assumptions	-	-	-	-

Notes to financial statements for the year ended March 31, 2012



(₹ in '000)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011-12	2010-11	2011-12	2010-11
(viii)	Expected Employer's Contribution for the next year	Nil	Nil	-	-
(ix)	Disclosure as required under para 120(n):				
	(i) Present value of Defined Benefit Obligation	217.45	326.27	90.88	125.75
	(ii) Fair Value of Plan Assets	1,130.85	1,037.48	-	-
	(iii) Surplus (Deficit) in the Plan	913.54	711.21	(90.88)	(125.75)
	(iv) Experience adjustments on Plan Liabilities (Gain) Loss	(9.87)	-	(22.04)	-
	(v) Experience adjustments on Plan Assets Gain (Loss)	10.37	-	-	-

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

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

36. During the year, the Company has not entered into any transaction in nature of loans and advances which falls within the purview of Clause 32 of Listing Agreement.

For and on behalf of the Board of Directors

Naresh C Singhal

T R Gopi Kannan

Sujal A Shah

Abhay R Jadeja
Directors

Arvind Chhajer
Company Secretary

Sunil S Lalbhai
Chairman

Vasudev Koppaka
Managing Director

Place: Mumbai

Date: May 05, 2012

Statement Pursuant to Part IV of Schedule VI of the Companies Act, 1956
Balance Sheet Abstract and General Business Profile of the Company

I. Registration Details

Registration No.	17594	State Code	11
Balance Sheet Date	31.03.2012		

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

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

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

Total Liabilities	78,612	Total Assets	78,612
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Sources of Funds

Paid up Capital	170,250	Reserve & Surplus	(367,510)
Secured Loans	112,889	Unsecured loans	53,958
Deferred Tax Liability (net)	-	Current Liabilities	109,025

Application of Funds

Net Fixed Assets	58,809	Investments	210
Net Current Assets	19,593		

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

Turnover (including other income)	135,552	Total Expenditure	167,698
Profit before Tax	(32,146)	Profit after Tax	(32,146)
Earning per Share (equity) ₹	(4.58)	Dividend Rate	-

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

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

Important Communication to Members



Dear Shareholder,

RE: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

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

We request you to register your E-mail address by writing directly to our Registrar and Transfer Agent at below address:

Link Intime India Pvt. Ltd.

C 13 Pannalal Silk Mills Compound, LBS Marg,
Bhandup, Mumbai 400078, Maharashtra, India
Telephone Number: 022-25946970 Fax: 022-25946969
E-mail id: rnt.helpdesk@linkintime.co.in

You can also write to us at below address:

Amal Ltd.

Atul East Side, Atul - 396020, Valsad, Gujarat, India
Telephone Number: 02632 - 230311
E-mail id: igc@amal.co.in

We request those who are holding shares in physical form to convert the same in Demat as it will help us to serve you better.

We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and will co-operate with the Company in implementing the same.

Thanking you,

For **Amal Ltd**

Sd/-

Arvind Chhajer
Company Secretary

Amal Ltd
Regd. Office: 310 Veer Savarkar Marg,
Mumbai 400028, India



Amal Ltd

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

ATTENDANCE SLIP

38th Annual General Meeting

July 24, 2012

DP id	
-------	--

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

Full name of the Shareholder | Proxy attending the meeting

(First Name)

(Middle Name)

(Surname)

FIRST HOLDER | JOINT HOLDER | PROXY

(Strike out whichever is not applicable)

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

(First Name)

(Middle Name)

(Surname)

Signature of the Shareholder | Proxy



Amal Ltd

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

PROXY FORM

DP id	
-------	--

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

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

(Full Address)

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

(Name in Block Letters)

of.....or failing

(Full Address)

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

(Name in Block Letters)

(Full Address)

as my | our proxy to vote for me | us on my | our behalf at the 38th Annual General Meeting of the Company to be held on Tuesday, July 24, 2012, at 11.00 a.m. at Kilachand Conference Room, 2nd Floor, LNM - IMC Building, IMC Marg, Churchgate, Mumbai 400020, Maharashtra, India and at any adjournment thereof.

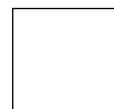
As WITNESS my | our hand | hands is | are affixed this.....day of.....2012

(Date)

(Month)

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

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



Signature of the Member

Corporate Information

Directors

Mr S S Lalbhai
(Chairman)

Mr V Koppaka
(Managing Director)

Mr T R Gopi Kannan

Mr N C Singhal

Mr S A Shah

Mr A R Jadeja

Compliance Officer

Mr A N Chhajer

Auditors

Haribhakti & Co

Cost Auditors

R Nanabhoy & Co

Registered Office

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

Head Office

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

Bankers

Axis Bank
State Bank of India

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