



DAIKAFIL
CHEMICALS INDIA LIMITED

21st ANNUAL REPORT
2012-2013

DAIKAFFIL

Board of Directors : Mr. Amit J. Patel - Executive Chairman
: Mr. Sishir R. Amin - Managing Director
: Mr. Aditya A. Patel - Joint Managing Director
: Mr. Hiroshige Tanaka
: Mr. Sudhir M. Patel
: Mr. Jagdish J. Vasa
: Dr. Giuseppe Seccomandi

Bankers Karnataka Bank Limited

Auditors Gaurang Merchant & Company

Registrars and Share Transfer Agents Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078

Corporate Office D-13, 5th Floor, Everest, Tardeo Main Road,
Tardeo, Mumbai-400034

Registered Office and Plant Plot No.E-4, M.I.D.C.
Tarapur, Boisar,
Dist: Thane – 401 506.
MAHARASHTRA

ANNUAL GENERAL MEETING

Date: September, 27th 2013

Time: 11.30 A.M.

Venue: E-4, M.I.D.C. Tarapur, Boisar,
District Thane, Maharashtra-401506

Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of **DAIKAFFIL CHEMICALS INDIA LIMITED** will be held on Friday, the 27th day of September, 2013 at 11.30 A.M. at E-4, M.I.D.C. Tarapur, Boisar, District Thane, Maharashtra-401506 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Jagdish Vasa who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. Giuseppe Seccomandi who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Gaurang Merchant & Company, Chartered Accountants, retiring Auditors, are eligible for reappointment.

SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and any amendment and / or re-enactment thereof and subject to further such approvals as may be required, Consent of the Company be and is hereby granted to the appointment Shri Aditya Patel as Joint Managing Director of the Company for a period of five years with effect from 1st June, 2013 on the salary, remuneration and perquisites as set out in the letter issued to him and laid before the meeting with liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites in such manner as the Board in its absolute discretion deem fit and acceptable to Shri Aditya Patel within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications or re-enactments made from time to time by the Central Government in this behalf. The terms and conditions in accordance with Schedule XIII to the Companies Act, 1956 are as set out below

REMUNERATION:

- (i) Monthly Salary of Rs. 25000/- (Rupees Twenty Five Thousand Only) per month.
- (ii) Bonus as per rules & regulations of the Company and at the discretion of the Board of Directors.
- (iii) In addition to above salary, in the years in which the Company has sufficient profit, Shri Aditya Patel be paid commission on the annual net profits of the Company as may be decided by the Board at the end of each financial year, computed in the manner laid down in Section 309(5) of the Companies Act, 1956, subject to ceiling laid down in Section 198 and 309 of the Companies Act, 1956 on the total remuneration.

PERQUISITES:

Perquisites shall be restricted to an amount equal to the annual salary.

CATEGORY "A"

- (i) **Housing I:** The expenditure incurred by the Company on hiring furnished accommodation for the Joint Managing Director will be subject to the following ceiling:
60 per cent of the salary, over and above 10 per cent payable by the Joint Managing Director.
Housing II: In case the accommodation is owned by the Company, ten percent of salary of the Joint Managing Director shall be deducted by the Company.
Housing III: In case no accommodation is provided by the Company, the Joint Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

EXPLANATION: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules. This shall however be subject to a ceiling of 10 per cent of the salary of the Joint Managing Director.

- (ii) **MEDICAL REIMBURSEMENT:** Expenses incurred for the Joint Managing Director and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iii) **LEAVE TARVEL CONCESSION:** For the Joint Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.
- (iv) **CLUB FEES:** Fee of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fee.

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CATEGORY "B"

- (i) Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either or single or put together are not taxable under the Income Tax Act. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- (ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling of perquisites.

CATEGORY "C"

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay to the Joint Managing Director a remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956 and as may be decided by the Board of Directors of the Company.

By Order of the Board
for **DAIKAFFIL CHEMICALS INDIA LIMITED**

Date: May 30, 2013

Place: Mumbai

SISHIR R. AMIN
(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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Shares Transfer Books of the Company will be closed from Friday, the 20th day of September, 2013 to Friday, the 27th day of September 2013 (both days inclusive).
3. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 3rd October, 2013 to those Members whose names stand registered on the Company's Register of Members:
 - i. As Beneficial Owners as at the end of the business hours on 19th day of September, 2013 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in Dematerialized form.
 - ii. As Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before 19th September, 2013.
4. The members are requested to:
 - (a) Intimate to the Company's Registrars and Share Transfer Agents M/s Link Intime India Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date;
 - (b) Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
 - (c) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
 - (d) Get the shares transferred in joint names, if they are held in single name to avoid in convenience;
 - (e) Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
 - (f) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.

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- (g) Furnish their Bank Account Number, the name of the Bank and the Branch where they would like to deposit the Dividend Warrants for encashment. These particulars will be printed on the cheque portion of Dividend Warrants, besides the name of the Shareholders so as to avoid fraudulent encashment of warrants. The above mentioned details should be furnished by the first / sole shareholder, directly to the Registrar & Share Transfer Agents, quoting the folio number.5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
 7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
 8. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s Link Intime India Private Limited.
 9. Pursuant to Section 205A of the Companies Act, 1956, the amount of unclaimed dividend for the financial year ended 31st March, 1997 have been transferred to the Investor Education and Protection Fund of the Central Government (the "Fund") during the financial year.
 10. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended March 31, 2005 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund established by the Central Govt.

Information in respect of such unclaimed dividend when due for transfer to the fund is given below:

| Financial Year | Type of Dividend | Date of Declaration | Date of Transfer |
|----------------|------------------|---------------------|------------------|
| 2007-2008 | Final Dividend | 30-09-2008 | 06-11-2015 |
| 2008-2009 | Final Dividend | 30-09-2009 | 06-11-2016 |
| 2009-2010 | Final Dividend | 28-07-2010 | 03-09-2017 |
| 2010-2011 | Final Dividend | 30-09-2011 | 06-11-2018 |
| 2011-2012 | Final Dividend | 28-09-2012 | 03-09-2019 |

Shareholders who have not encashed the dividend warrant(s) are requested to seek issue of duplicate dividend warrants by writing to the Company.

Shareholders are requested to note that no claims shall lie against the Company or the said fund in respect of any amount which were unclaimed and unpaid for a period of seven years from the dates that they became due for payment and no payment shall be made in respect of any such claims.

By Order of the Board
for **DAIKAFFIL CHEMICALS INDIA LIMITED**

Date: May 30, 2013
Place: Mumbai

SISHIR R. AMIN
MANAGING DIRECTOR

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EXPLNATORY STATEMENT IN RESPECT OF ITEMS NOS. 6 OF THE NOTICE PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

The Remuneration Committee of the Board of Directors and the Board of Directors at their Meeting held on 30th May, 2013 decided to appoint Mr. Aditya Patel as Joint Managing Director of the Company w.e.f. 1st June, 2013 for a period of five years considering his total commitments and devotion to the Company for managing corporate affairs and particularly looking after technical side of production and the proposed expansion in hand. The Remuneration Committee and the Board has recommended his appointment on payment of remuneration as mentioned in the resolution for a period of 5 years w.e.f. 1st June, 2013 subject to the approval of the Shareholders in the ensuing Annual General Meeting.

This may be treated as an abstract of the terms and Memorandum of Interest under Section 302(7) of the Companies Act, 1956 with respect to the appointment of Shri Sishir Amin as Managing Director of the Company.

The Joint Managing Director as long functions as such, shall not be paid any fees for attending the meeting of the Board of Directors or any committee thereof.

The Board commends passing of the Resolutions as set out in Item No. 6 of the accompanying Notice.

None of the Directors except Shri Amit Patel, Executive Chairman are in any way concerned and interested in the aforesaid resolution.

By Order of the Board
for **DAIKAFFIL CHEMICALS INDIA LIMITED**

SISHIR R. AMIN
(MANAGING DIRECTOR)

Date: May 30, 2013

Place: Mumbai

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Twenty first Annual Report together with the Audited statement of Accounts along with the Report of the Auditors for the year ended 31st March, 2013

FINANCIAL RESULTS:

| | 2012-2013 | 2011-2012 |
|--|---------------------------|---------------------------|
| | (Rupees) | (Rupees) |
| Sales etc. and other income | <u>304,049,100</u> | <u>214,118,898</u> |
| Profit before Depreciation, Interest and Tax | <u>232,46,385</u> | <u>10,262,488</u> |
| Less: Depreciation | 5,617,696 | 4,801,582 |
| Interest | <u>2,847,087</u> | <u>2,068,551</u> |
| | 8,464,783 | 6,870,133 |
| Profit before Tax | <u>14,781,602</u> | <u>3,392,355</u> |
| Provision for Tax | | |
| Current Tax | (4,900,000) | (651,000) |
| MAT Credit / (Set off) | (258,000) | 258,000 |
| Deferred Tax | <u>63,045</u> | <u>(995,664)</u> |
| | (5,094,955) | (1,388,664) |
| (Excess)/Short Provision Tax | (32,725) | 785,463 |
| Provision for Diminution in value of investment | -- | (1,817,628) |
| Prior Period Expenses | -- | 118,288 |
| Excess Depreciation Charged in previous years | <u>96,700</u> | <u>--</u> |
| Profit after Tax | 9,750,622 | 1,089,814 |
| Add: Balance Brought forward from the previous year | <u>15,227,946</u> | <u>17,801,632</u> |
| Profit available for Appropriation | <u>24,978,568</u> | <u>18,891,446</u> |
| Appropriation | | |
| Transfer to General Reserve | 1,500,000 | 200,000 |
| Proposed Dividend | 3,000,000 | 3,000,000 |
| Corporate Dividend Tax Thereon/short provision of Dividend Tax | 533,025 | 4,63,500 |
| Balance carried forward | <u>19,945,543</u> | <u>15,227,946</u> |
| | <u>24,978,568</u> | <u>18,891,446</u> |

DIVIDEND:

With a view to conserve the financial resources for expansion on hand, the Board of Directors are pleased to recommend a dividend of Re 0.50/- per share on 60,00,000 Equity shares of the nominal value of Rs. 10/- each aggregating to Rs. 30.00 Lacs excluding dividend tax.

PERFORMANCE:

The Global Economic Scenario in F.Y .2012-13 continued to be fought on challenges. Major economies witnessed slow growth and the Eurozone which is our Companies prime market was full of uncertainty due to unemployment, banking fragility, fiscal tightening coupled with sluggish growth. As the year progressed business environment remained difficult and operating in such a testing environment proved challenging. Despite these constraints, the Company performed reasonably well and the highlights of the performance are as under :-

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Revenue from operations increased by 42% i.e. from Rs. 2141/- lacs in previous year to Rs. 3040/- lacs in current year.

Exports increased by 39% i.e. from Rs. 1528 lacs in previous year to Rs. 2125/- lacs in current year.

Profit before tax increased by 335% i.e. from Rs. 34/- lacs in previous year to 148/- lacs in current year

DIRECTORS:

Mr. Jagdish Vasa and Dr. Giuseppe Seccomandi, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Their re-appointment would immensely benefit the Company looking at their business knowledge and expertise.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance and a certificate from Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, forms part of the Annual Report.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee of the category specified in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

AUDIT COMMITTEE:

As per the requirements of the Companies Act, 1956 and Listing Agreement, the Company has an Audit Committee consisting of two Independent Directors and One Executive Director namely Mr. Sudhir Patel, Mr. Jagdish J. Vasa and Mr. Sishir Amin.

As Five Audit Committee Meetings were held on May 15, 2012, August 14, 2012, August 24, 2012, November 07, 2012 and February 15, 2013.

QUALITY CERTIFICATIONS

Your Company is pleased to inform its members that it has been accorded the GOTS (Global Organic Textile Standard) Version 3.0 March 2011 certification for all its Optical Brighteners for Textiles by CONTROL UNION CERTIFICATIONS.

This would definitely assist the Company in having a better edge in the market of its optical brighteners both in the export and domestic markets in the long run and establish its "DIKAPHOR" brand name in the textile segment in the international and local markets.

Your Company has also been accorded the ISO 9001: 2008 certifications for its quality management systems by BSI for a period of 3 years.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors wish to inform Members that the Audited Accounts containing Financial Statements for the Financial Year 2012-2013 are in full conformity with the requirement of the Companies Act, 1956. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

Your Directors further confirm that:

- (1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (2) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (3) The directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (4) The directors have prepared the annual accounts on a going concern basis.

SAFETY AND ECOLOGY:

Your Company continues to accord the highest priority to Environment, Occupational Health and Safety with a view to progressively achieve international standards while ensuring compliance with statutory requirements.

FIXED DEPOSITS:

The Company has not accepted any Deposit from the Public during the year under review. As on 31st March, 2013, no unclaimed deposits are lying with the Company.

INSURANCE:

All the Fixed Assets have been adequately insured.

AUDITORS:

The Members are requested to appoint Auditors for the current year and to fix their remuneration. M/s Gaurang Merchant & Co., the retiring Auditors, are eligible for re-appointment and have furnished a certificate to the effect that their re-appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT:

There are no obligations in the Audit Report.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

As required under Section 217(1) (e) of the Companies Act, 1956 read together with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 the relevant information is given below.

Relevant data in respect of energy consumption is as below.

| | 2012-2013 | 2011-2012 |
|--|--------------|---------------|
| (I) Power & Fuel Consumption | | |
| 1. Electricity | | |
| Purchased Units | 7,48,933 | 6,38,981 |
| Total Amount | Rs.49,54,004 | Rs. 40,96,733 |
| Rate / Unit (Rs.) | Rs.6.61 | Rs. 6.41 |
| 2. Light Diesel Oil / Furnance Oil | | |
| Quantity (Litres) | 1,400 | 3,000 |
| Total Amount | Rs.65,238 | Rs. 1,32,570 |
| Average Rate (Rs. / Ltrs) | Rs.46.60 | Rs. 44.19 |
| 3. Coal | | |
| Quantity (Kgs) | 16,39,215 | 14,99,752 |
| Total Amount | Rs.96,74,363 | Rs. 86,84,430 |
| Average Rate (Rs./ Kgs) | Rs.5.90 | Rs. 5.79 |
| (II) Consumption per Unit of Production | | |
| Electricity | Rs 2.76/kg | Rs 2.56/kg |

FOREIGN EXCHANGE EARNINGS AND OUTGO:

| | (Rs. in Lacs) |
|---------------------------|---------------|
| Foreign Exchange Earnings | : 2125.47 |
| Foreign Exchange Outgo | : 986.38 |

LISTING AGREEMENT COMPLIANCE:

Pursuant to the requirements of the Listing Agreement, the Company declares that its Equity Shares are listed on the Stock Exchange, Mumbai.

PERSONNEL:

Industrial relations at the Company's factory and other establishments remained cordial during the year. We appreciate the contribution made by the employees towards achieving improved productivity and flexibility in operation.

ACKNOWLEDGMENT:

The Directors wish to place on record their appreciations for the continued support and co-operations by Government Authorities, Banks and our valued customers along with dedicated service of all the workers, staff and the officers, whose continuous support is a pillar of strength which have largely contributed to the efficient management of the Company. Suffice it to say, that your co-operation as our shareholders is hereby acknowledged with gratitude.

For and on behalf of the Board,

(AMIT J. PATEL)
EXECUTIVE CHAIRMAN

Mumbai, May 30, 2013

CORPORATE GOVERNANCE

Company's Policies on the Corporate Governance and due Compliance Report on specific areas wherever applicable for the year ended 31st March, 2013 are hereunder divided into the following areas:-

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

- Transparency and accountability are the two basic tenets of Corporate Governance. DAIKAFFIL is proud to belong to a Group whose Founder lived his life with eternal Value 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 applicable legal requirements. It will endeavor 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 interest of the Shareholders and other Stakeholders.

II. BOARD OF DIRECTORS:**(a) Composition of the Board**

- The Board of Directors of the Company consists of eminent persons with considerable expertise and experience in business and industry.
- The composition of the Board of Directors with reference to Executive and Non Executive Directors meets the requirement of code of Corporate Governance.
- Out of Seven Directors, there is One Non-Promoter Executive Director namely Mr. Sishir R. Amin, One Promoter Executive Director and Chairman namely Mr. Amit J. Patel and one Promoter Non - Executive Director namely Mr. Aditya Patel.
- There are four independent Directors namely Mr. Hiroshige Tanaka, Mr. Jagdish J. Vasa, Dr. Giuseppe Seccomandi and Mr. Sudhir M. Patel.
- Mr. Hiroshige Tanaka was appointed as director on 15-05-2012 and Mr. Aditya Patel was appointed as Director on 14-08-2012.
- Mr. Jayant G. Patel, Director expired on 01-06-2012.

(b) Number of Board Meetings held and attended by Directors

Board Meetings are held at least four times during the year coinciding with the presentation of each quarterly result. During the last financial year, five Board Meetings were held on 15th May, 2012, 14th August, 2012, 24th August, 2012, 7th November, 2012 and 15th February, 2013.

The Meetings were attended as follows.

- Mr. Sishir R. Amin, Mr. Amit J. Patel and Mr. Sudhir Patel attended all the five Meetings.
- Mr. Aditya Amit Patel attended all the four Meetings held during his tenure.
- Mr. Jagdish Vasa attended three Meetings.
- Dr. Giuseppe Seccomandi and Mr. Hiroshige Tanaka were granted leave of absence for all meetings held during their their tenure.

Mr. Amit Patel and Mr. Sishir Amin attended the last Annual General Meeting held on 28th September, 2012

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(c) The details of other Directorships and Committee Membership:

| Name of the Directors | Category of Directors | No. Of Other Directorships held | No. of other Board Committee(s) Of which He/she is | |
|-------------------------|---------------------------------|---------------------------------|--|----------|
| | | | Member | Chairman |
| Aditya A. Patel | Promoter – Non Executive | 1 | 0 | 0 |
| Amit J. Patel | Chairman – Promoter – Executive | 1 | 0 | 0 |
| Sishir R. Amin | Non Promoter – Executive | 1 | 0 | 0 |
| Sudhir M. Patel | Independent – Non- Executive | 9 | 2 | 1 |
| Jagdish J. Vasa | Independent – Non- Executive | 2 | 0 | 0 |
| Hiroshige Tanaka | Independent – Non- Executive | 0 | 0 | 0 |
| Dr. Giuseppe Seccomandi | Independent – Non- Executive | 0 | 0 | 0 |

(d) Details of Directors seeking Re-appointment :-

Details of the Directors seeking re-appointment at the ensuing Annual General Meeting are given hereunder: -

| | | |
|--|---|--|
| Name of Director | Mr. Jagdish Vasa | Dr. Giuseppe Seccomandi |
| Date of appointment | 29-03-2003 | 31-05-2008 |
| Expertise in specific Functional Areas | Industrialist having business experience in Chemical Industry. | Industrialist having experience in Chemical Industry in Italy. |
| List of other Directorship | 1) Gayatri Pestichem Manufacturing Private Limited 2) Mafatlal Fabrics Private Limited | Nil |

III AUDIT COMMITTEE:

- (i) The Audit Committee of the Board of Directors of the Company, inter-alia, provides an assurance to the Board on the adequacy of internal control systems and financial disclosures. The scope of the Audit Committee is in accordance with and as specified in Clause 49 of the Listing Agreement. The broad terms of reference include.
- To review compliances with internal control systems.
 - To review the quarterly, half yearly, annual financial results of the Company before submission to the Board.
 - To review Company's financial reporting process and disclosure of financial information.
 - Recommending the appointment of statutory and internal auditors.
- (ii) The Audit Committee at present comprises of two independent directors namely Mr. Sudhir Patel and Mr. Jagdish J. Vasa and one Executive Director namely Mr. Sishir Amin.

Mr. Jagdish Vasa is the Chairman of the Audit Committee.

- (iii) Five Audit Committee Meetings were held on May 15, 2012, August 14, 2012, August 24, 2012, November 07, 2012 and February 15, 2013.

Mr. Jagdish Vasa attended three meetings and Mr. Sudhir Patel and Mr. Sishir Amin attended all the five meetings.

- (iv) The company paid sitting fees of Rs. 5000/- per meeting to Non- Executive Directors and no other remuneration has been to the non-executive directors during the year under review.

IV. REMUNERATION COMMITTEE:

- (i) The Remuneration Committee considers the policy and the matter relating to the remuneration including commission payable to managerial persons including Managing Directors and Whole Time Directors.
- (ii) The Remuneration Committee was constituted on 30th June, 2004 and the Committee at present comprises of Three Independent Directors namely Mr. Jagdish J. Vasa, Mr. Sudhir Patel and Mr. Hiroshige Tanaka.

Mr. Jagdish Vasa is the Chairman of the Committee.

- (iii) No Meeting of Remuneration Committee was held during the year under review.

- (iv) The Company paid sitting fees of Rs. 5000/- per meeting to Non-Executive Directors and no other remuneration has been paid to the Non Executive Directors during the year under review.

Managing / Whole Time, Directors are being paid remuneration as approved by the Shareholders and as recommended by the Remuneration Committee and approved by the Board of Directors from time to time, subject to the approval of other appropriate authority, as may be required.

Remuneration to Executive Directors:

The Company has paid the gross remuneration of Rs. 18,55,983/- (including perquisites and other benefits) to Mr. Sishir Amin, Managing Director of the Company and Rs.9,23,252/- (including perquisites and other benefits) to Mr. Amit J Patel, Executive Chairman of the Company during the year.

Note: The contract of employment with Mr. Sishir Amin, Managing Director is for a period of five years and with Mr. Amit J Patel, Executive Chairman is for a period of three years. There is no notice period specified to determine the contract.

Further Mr. Amit Patel, Executive Chairman, Mr. Sishir Amin, Managing Director and Mr. Aditya Patel hold 927450, 30800 and 104599 Equity Shares in the Company respectively.

V. COMPLIANCE OFFICER :

Mr. Devidas N. Tendolkar acts as the Compliance Officer for ensuring compliance with the requirements of listing agreement with the Stock Exchange and SEBI Regulations as amended from time to time.

VI. SHAREHOLDERS' COMMITTEE:

- (a) The Company has constituted a Share Transfer cum Shareholders / Investors Grievance Committee consisting of Executive and Non Executive directors Mr. Amit J. Patel, Mr. Aditya A. Patel and Mr. Sishir R. Amin. The Committee normally meets twice a month as required. Mr. Amit Patel is the Chairman of the Shareholders' Committee.

The Committee approves, transfer / transmission / transposition / consolidations / splitting, issue of duplicate certificates, allotment of shares and debentures, shareholders grievances pertaining to non receipt of transferred share certificates, non receipt of balance sheet and non receipt of dividend / interest warrant etc.

- (b) The Board has designated Mr. D.N Tendolkar as the Compliance Officer.

- (c) The Company has approximately 2989 shareholders. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was eight. There were no outstanding complaints as on March 31, 2013.

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VII GENERAL BODY MEETINGS:

- a. The details of the Annual General Meeting held in last three years are as under: -

| AGM | DAY | DATE | TIME | VENUE |
|------------------|-----------|------------|------------|---|
| 18 th | Wednesday | 28.07.2010 | 11.30 A.M. | E-4, MIDC Tarapur, Boisar, Dis, Thane, Maharashtra-401506 |
| 19 th | Friday | 30.09.2011 | 10.30 A.M. | E-4, MIDC Tarapur, Boisar, Dist. Thane, Maharashtra-401506. |
| 20 th | Friday | 28.09.2012 | 11.30 A.M. | E-4, MIDC Tarapur, Boisar, Dist. Thane, |

- b. No Special Resolution was passed at the last three Annual General Meetings.
c. No Special Resolution was passed last year through postal ballot.
d. No special resolution is proposed to be conducted through postal ballot.

VIII DISCLOSURES:

- (i) The Company has properly disclosed the significant material transactions with related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives at the appropriate places in the Annual Accounts. However these transactions are not likely to have any conflict with the Company's interest.
(ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or The Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.
(iii) The Company has adopted a Code of Conduct for its Directors and employees. This Code of Conduct has been communicated to each of them.
(iv) Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

IX MEANS OF COMMUNICATION:

| | | |
|-------|--|--|
| (i) | Quarterly Results | Communicated to all the Stock Exchanges with whom the Company is listed. |
| (ii) | Newspapers wherein Results normally published | The Free Press Journal, & Navshakti, Mumbai |
| (iii) | Any web site, where displayed | Yes : www.daikaffil.com |
| (iv) | Whether it also displays official News releases and presentations made to Institutional investors / analysts | No |
| (v) | Whether MD & A is a part of annual report | Yes |

X GENERAL SHAREHOLDER INFORMATION:

(a) **ANNUAL GENERAL MEETING TO BE HELD:**

The 21st Annual General Meeting will be held on Friday, the 27th September, 2013 at 11.30 A.M. at E-4, M.I.D.C. Tarapur, Boisar, District Thane, Maharashtra-401506.

(b) **FINANCIAL CALENDAR 2013-2014 (TENTATIVE):**

| | |
|---|------------------------------------|
| Annual General Meeting | 30th September, 2014 |
| First Quarterly Results: | Before end of 15th August, 2013 |
| Second Quarterly Results: | Before end of 15th November, 2013. |
| Third Quarterly Results: | Before end of 15th February, 2014. |
| Audited yearly Results for The year ended 31st March, 2014 | Before end of May, 2014 |

(c) DATES OF BOOK CLOSURE:

20th September, 2013 to 27th September, 2013 (Both days inclusive).

(d) DIVIDEND PAYMENT DATE:

On or after 3rd October, 2013 to those members whose names stand registered on the Company's Register of Members as on 27th September, 2013.

(e) Stock Exchange Listing:

The Company's shares are presently listed on the Bombay Stock Exchange.

(f) STOCK CODE:

| | | |
|------------------------------------|----------|--------|
| | Physical | Demat |
| Trading code Bombay Stock Exchange | 30825 | 530825 |

(g) STOCK MARKET DATA:

The Monthly high and low quotations and volume of shares traded at The Stock Exchange Mumbai is as follows.

| Period | BSE | | |
|-----------------|------------|----------|---------------|
| | High (Rs.) | Low(Rs.) | Volume (Nos.) |
| April, 2012 | 13.34 | 9.15 | 36,117 |
| May, 2012 | 13.35 | 9.82 | 20,273 |
| June, 2012 | 11.40 | 8.65 | 44,435 |
| July, 2012 | 10.79 | 8.40 | 15,294 |
| August, 2012 | 12.63 | 8.30 | 65,630 |
| September, 2012 | 14.19 | 11.00 | 37,815 |
| October, 2012 | 13.25 | 10.27 | 23,098 |
| November, 2012 | 13.06 | 10.49 | 73,433 |
| December, 2012 | 12.00 | 10.33 | 29,282 |
| January, 2013 | 13.80 | 10.40 | 27,998 |
| February, 2013 | 13.18 | 9.10 | 30,672 |
| March, 2013 | 11.24 | 8.35 | 25,531 |

(h) REGISTRAR AND TRANSFER AGENTS:

The Registrar and Transfer Agents of the Company are M/s Link Intime India Private Limited and they have their

Office at :-

| | |
|--|--|
| C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078. Tel No. : 25963838 Fax No. : 25946969 Email: rnt.helpdesk@linkintime.co.in | 203, Davar House, Next to Central Cinema, Dr. D. N. Road, Mumbai - 400 001. Tel Nos. : 22694127 |
|--|--|

DAIKAFFIL

(i) **SHARE TRANSFER SYSTEM:**

Share transfer requests received in physical form are registered within 30 days from the date of receipt and Demat requests are normally confirmed within an average period of 10 days from the date of receipt.

(j) **DISTRIBUTION OF SHAREHOLDING AS ON 31-03-2013:**

| No. of Equity Shares held | No. of Shareholders | % of Share holders | No. of Shares | % of Shareholding |
|---------------------------|---------------------|--------------------|----------------|-------------------|
| 1-500 | 2381 | 79.6587 | 393990 | 6.5665 |
| 501-1000 | 272 | 9.1000 | 236537 | 3.9423 |
| 1001-2000 | 127 | 4.2489 | 201614 | 3.3602 |
| 2001-3000 | 53 | 1.7732 | 137846 | 2.2974 |
| 3001-4000 | 25 | 0.8364 | 93682 | 1.5614 |
| 4001-5000 | 24 | 0.8029 | 112946 | 1.8824 |
| 5001-10000 | 46 | 1.5390 | 340025 | 5.6671 |
| 10001 & above | 61 | 2.0408 | 4483360 | 74.7227 |
| Grand Total | 2989 | 100.00 | 6000000 | 100.00 |

DISTRIBUTION OF SHAREHOLDING (CATEGORY WISE)

| Sr. No | Particulars | No. of Shares | % of Shareholding |
|----------|-------------------------------------|---------------|-------------------|
| A | Promoters and Promoter Group | | |
| 1 | Indian Promoters | | |
| (a) | Individuals/HUF | 1433849 | 23.90 |
| (b) | Bodies Corporate | 503300 | 8.39 |
| 2 | Foreign Promoters | | |
| (a) | Individuals | 0 | 0 |
| (b) | Bodies Corporate | 0 | 0 |
| B | Public Shareholding | | |
| 1 | Institutions | | |
| (a) | Mutual Funds / UTI | 1500 | 0.03 |
| (b) | Financial Institutions / Banks | 7900 | 0.13 |
| 2 | Non Institutions | | |
| (a) | Bodies Corporate | 391358 | 6.38 |
| (b) | Individuals | 2536461 | 42.35 |
| (c) | Clearing Member(s) | 13192 | 0.22 |
| (d) | Non Resident Indians | 319700 | 5.32 |
| (e) | Foreign Company | 749700 | 12.50 |
| (f) | Trust | 43040 | 0.72 |

(k) DEMATERIALISATION OF EQUITY SHARES:

The Company's Equity Shares are included in the list of companies whose scrips have been mandated by SEBI for settlement only in dematerialised form by all institutions and all investors. The Company had signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to offer depository services to its shareholders. As on 31st March, 2013 about 76.66% of Equity Share Capital of the Company has been dematerialized.

(l) PLANT LOCATIONS:

The Company has a single plant located at Plot No. E/4, MIDC, Tarapur, Dist. Thane, Maharashtra.

(m) ADDRESS FOR CORRESPONDENCE:

| Company's Corporate Office | Registrar and Transfer Agents |
|--|---|
| Mr. Devidas N. Tendolkar - Compliance Officer D-13 EVEREST, 5th Floor, 156 Tardeo Main Road, Tardeo, Mumbai Central, Mumbai-400 034. Tel Nos. 022-49215510 / 49215555 Fax: 022-49215599 E-mail: info@daikaffil.com | M/s Link Intime India Private Limited D-13, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078. Tel No. 022 25963838 Fax No. 022 25962691 |

DECLARATION

As provided under Clause 49 of the Listing Agreement with Stock Exchange, the Board Members and the Senior Management Team have confirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2013.

FOR DAIKAFFIL CHEMICALS INDIA LIMITED

Mumbai, May 30, 2013

**SISHIR AMIN
MANAGING DIRECTOR**

ANNUAL DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

To,
The Board of Directors,
Daikaffil Chemicals India Limited
Plot No.E-4, M.I.D.C. Tarapur, Boisar,
Dist: Thane - 401 506
MAHARASHTRA

1. The Code of Conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The Code of conduct has been posted on website of the Company.
3. The Board members and senior management personnel have affirmed compliance with the code of conduct for the year 2012-13.

FOR DAIKAFFIL CHEMICALS INDIA LIMITED

Mumbai, May 30, 2013

**SISHIR AMIN
MANAGING DIRECTOR**

MANAGEMENT DISCUSSION AND ANALYSIS

A) Segment wise performance:-

The Company operates in one segment, namely Dyes / intermediates comprising Optical Brighteners / Naphthols in accordance with the definition of " Segment " as per the Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The Performance of the Company is discussed separately in this report.

B) Risks & Concerns

The entry of several new players and capacity augmentation by existing players is likely to increase, leading to competitions and in turn adversely affect margins. Cost of key raw materials-notably Cyanuric Chloride, DASDA, Bon ACID, DEA have risen steeply without commensurate increases in products prices.

C) Research & Development [R&D] and Technology

Research & Development is the prime objective and lot of activity in development of new Brighteners for Textiles & Naphthols for Pigments are being carried out. The Company hopes to commercially introduce New Brighteners / Naphthols during the year.

D) Internal control audit system and Risk Management

The Company has in place an effective and independent internal control system covering all areas of operations. The transactions are approved by authorized persons. A firm of Chartered Accountants conducts the internal Audit of the company as per the schedule approved by the Audit committee for the year. A regular review is done in respect of the financial and operating control at locations of the Company. The Audit Committee at its periodic meetings, review observations and recommendations contained in the Internal Audit Report. Independent opinions are expressed on issues of concern and consequential corrective actions implanted by the Company are subsequently reviewed by the Audit Committee.

E) Financial performance & Analysis:

There was an all around increase in the input costs including raw materials and overheads. All these costs could not be passed on to the customers which had an impact on profit margin.

Total Revenue for the Year aggregated to Rs. 3040.49 lakhs as against the previous year turnover of Rs. 2141.19 lakhs.

Profit before Depreciation, Interest and Taxes for the year is higher at Rs. 232.46 lakhs as compared to Rs. 102.62 lakhs of previous year.

Depreciation for the year is higher at 56.18 lakhs as compared to Rs. 48.02 lakhs of previous year.

Profit before tax is higher at Rs. 148.78 lakhs as compared to Rs. 16.93 lakhs of previous year.

I) Human Resource Development / Industrial Relations:

Improving employee engagement and thereby increasing the productivity has been the key focus of the Human Resource function adopted by the management. As in the past, the industrial relations continued to remain cordial in all departments of the Company. The focus is primarily on the engaging, motivating and improving the productivity of all its employees. The Company has finalized the agreement with the workmen which is valid upto November 2013.

J) Cautionary Statement:

Statements relating to projections & objectives are made on certain assumptions, forecasts and visible trends in the industry, subject to change, due to several uncertain factors prevailing in the economy.

INDEPENDENT AUDITORS' REPORT

To the Members of Daikaffil Chemicals India Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **DAKAFFIL CHEMICALS INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including, Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said financial statements give the information required by the Act in the manner so required and give 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, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **GAURANG MERCHANT & CO.**
Chartered Accountants
Firm Reg. No. 103111W

G.V. MERCHANT
Proprietor
Membership No.17345

Mumbai: June 3, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date".

- (i)
 - a. Records showing full particulars including quantitative details and situation of fixed assets have not been adequately maintained by the Company.
 - b. As explained to us, the fixed assets have been physically verified by the management once during the year and in our opinion the frequency of verification is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (ii)
 - a. The inventories have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- c. The Company has maintained proper records of the inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the size of the Company and the same have been properly dealt with in the books of account.
- (iii) a. According to the information and explanations given to us, the Company has not granted / taken any loans, secured or unsecured to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b. As the Company has not granted / taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, provisions of clauses (iii)(b), (iii)(c) and (iii)(d) of Para 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit no major weakness has been noticed in the internal controls.
- (v) a. According to the information and explanations given to us, we are of the opinion that transactions that needed to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions for items purchased/sold, services rendered/obtained in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Five Lakhs Rupees in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
- (vi) The Company has not accepted any deposits during the year from the public within the meaning of provisions of Section 58A and 58AA of the Companies Act 1956 and rules made thereunder. Hence clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government under section 209 (1)(d) of the companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities.
- b. According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts in case of dues of sales tax/income tax/custom duty/wealth tax/Service Tax/ excise duty/cess and hence the clause (ix)(b) of Para 4 of the Order is not applicable.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) In our opinion the Company is not a Chit fund Company or nidhi/mutual benefit fund/society. Therefore the provisions of Clause (xiii) of Para 4 of the Order is 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 (xiv) of Para 4 of the Order is not applicable to the Company.

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- (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) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they have been obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, no funds raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised monies by public issues during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **GAURANG MERCHANT & CO.**
Chartered Accountants

G.V. MERCHANT
Proprietor
Membership No.17345

Mumbai: June 3, 2013

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

Daikaffil Chemicals India Limited.

We have examined the compliance of conditions of Corporate Governance by Daikaffil Chemicals India Limited, for the year ended March 31, 2013 as stipulated in clause 49 of the listing agreement of the said Company with The Stock Exchange, Mumbai.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations 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 the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 **GAURANG MERCHANT & CO.**
Chartered Accountants
Firm Reg. No. 103111W

G.V. MERCHANT
Proprietor
Membership No.17345

Mumbai: June 3, 2013

| BALANCE SHEET AS AT 31ST MARCH, 2013 | | | | | | (Rupees) |
|---|----|-------------------|--------------------|-------------|---------------------|--------------------|
| | | | | | As at 31/03/2012 | |
| Note | | | | | | |
| A EQUITY AND LIABILITIES | | | | | | |
| 1 Shareholders' funds | | | | | | |
| (a) Share capital | 2 | 60,000,000 | | 60,000,000 | | |
| (b) Reserves and surplus | 3 | 35,577,563 | 95,577,563 | 29,359,966 | | 89,359,966 |
| 2 Non-current liabilities | | | | | | |
| (a) Long-term borrowings | 4 | 319,388 | | 1,667,766 | | |
| (b) Deferred tax liabilities (net) | 5 | 3,229,702 | | 3,292,747 | | |
| (c) Long-term provisions | 6 | 583,306 | 4,132,396 | 536,207 | | 5,496,720 |
| 3 Current liabilities | | | | | | |
| (a) Short-term borrowings | 7 | 26,402,189 | | 18,488,431 | | |
| (b) Trade payables | 8 | 48,448,729 | | 50,503,380 | | |
| (c) Other current liabilities | 9 | 7,778,577 | | 6,083,684 | | |
| (d) Short-term provisions | 10 | 36,07,532 | 8,62,37,027 | 3,463,500 | | 78,538,995 |
| TOTAL | | | 185,946,986 | 173,395,681 | | 173,395,681 |
| B ASSETS | | | | | | |
| 1 Non-current assets | | | | | | |
| (a) Fixed assets | 11 | | | | | |
| (i) Tangible assets | | 55,339,866 | | 53,566,875 | | |
| (ii) Capital work-in-progress | | 1,815,135 | | 4,218,151 | | |
| | | 57,155,001 | | 57,785,026 | | |
| (b) Non-current investments | 12 | 829,032 | | 829,032 | | |
| (c) Long-term loans and advances | 13 | 2,314,271 | 60,298,304 | 2,007,847 | | 60,621,905 |
| 2 Current assets | | | | | | |
| (a) Inventories | 14 | 43,934,043 | | 45,101,422 | | |
| (b) Trade receivables | 15 | 66,252,121 | | 49,284,780 | | |
| (c) Cash and cash equivalents | 16 | 3,756,594 | | 5,576,371 | | |
| (d) Short-term loans and advances | 17 | 9,004,872 | | 8,083,236 | | |
| (e) Other current assets | 18 | 2,701,052 | 125,648,682 | 4,727,967 | | 112,773,776 |
| TOTAL | | | 185,946,986 | 173,395,681 | | 173,395,681 |

The Notes form an Integral part of these Financial statements

**As per our report attached
For GAURANG MERCHANT & CO.**

Chartered Accountants
Firm Reg. No. 103111W

G. V. MERCHANT
Proprietor
Membership No. 17345

Mumbai: June 3, 2013

For and on behalf of the Board of Directors

AMIT J. PATEL Executive Chairman

SISHIR R. AMIN Managing Director

Mumbai: May 30, 2013

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| STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013 (Rupees) | | | |
|--|-------------|--------------------|----------------------------------|
| | Note | | Year ended 31/03/2012 |
| Revenue from operations (gross) | 19 | 320,108,583 | 223,472,346 |
| Less: Excise duty | | <u>20,422,327</u> | 12,545,143 |
| Revenue from operations (net) | | 299,686,256 | 210,927,203 |
| Other income | 20 | 4,362,844 | 3,191,695 |
| Total revenue | | 304,049,100 | 214,118,898 |
| Expenses | | | |
| (a) Cost of materials consumed | 21 | 176,749,542 | 135,326,456 |
| (b) Purchase of stock-in-trade | 22 | 21,486,030 | 5,336,422 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 23 | (2,237,317) | (3,267,860) |
| (d) Employee benefit expense | 24 | 19,894,447 | 15,915,009 |
| (e) Finance costs | 25 | 3,000,028 | 2,507,849 |
| (f) Depreciation and amortisation expense | 11 | 5,617,696 | 4,801,582 |
| (g) Other expenses | 26 | 64,757,072 | 50,107,085 |
| Total expenses | | 289,267,498 | 210,726,543 |
| Profit before exceptional and extraordinary items and tax | | 14,781,602 | 3,392,355 |
| Exceptional items :- | | | |
| Provision for Diminution in value of investment | 12 | - | (1,817,628) |
| Prior-Period Income / (Expenses) | | - | 118,288 |
| Excess Depreciation charged in previous years | | <u>96,700</u> | - |
| | | 96,700 | (1,699,340) |
| Profit before extraordinary items and tax | | 14,878,302 | 1,693,015 |
| Extraordinary items | | - | - |
| Profit before tax | | 14,878,302 | 1,693,015 |
| Tax Expense : | | | |
| Current Tax | | (4,900,000) | (651,000) |
| Deferred Tax | 5 | 63,045 | (995,664) |
| Minimum Alternate Tax Credit / (Set off) | | (258,000) | 258,000 |
| Earlier Years | | <u>(32,725)</u> | 785,463 |
| | | (5,127,680) | (603,201) |
| Profit for the year | | 9,750,622 | 1,089,814 |
| Earnings per Equity Share | | | |
| [Face Value of Rs. 10 per Equity share) | | | |
| Basic and Diluted earning per share (Rs.) | | 1.63 | 0.18 |

The Notes form an Integral part of these Financial statements

As per our report attached
For **GAURANG MERCHANT & CO.**
Chartered Accountants
Firm Reg. No. 103111W

(**G. V. MERCHANT**)
Proprietor
Membership No. 17345
Mumbai: June 3, 2013

For and on behalf of the Board of Directors

AMIT J. PATEL Executive Chairman

SISHIR R. AMIN Managing Director

Mumbai: May 30, 2013

| CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT | | | |
|--|---------------------|--------------------|------------------|
| (₹ in lacs) | | | |
| | 2012-2013 | | 2011-2012 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before Tax and extraordinary items | 14,781,602 | | 3,392,355 |
| ADJUSTMENTS FOR : | | | |
| Depreciation | 5,617,696 | | 4,801,582 |
| Interest Paid | 2,847,087 | | 2,068,551 |
| Loss/(Profit) on Sale of Fixed asset | 7,634 | 8,472,417 | 0 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES. | 23,254,019 | | 10,262,488 |
| ADJUSTMENTS FOR : | | | |
| Trade and other Receivables | (16,168,485) | | (10,428,396) |
| Taxes | (1,923,419) | | 2,667,580 |
| Inventories | 1,167,379 | | (2,990,021) |
| Trade payable and others | 669,052 | | 20,421,094 |
| Repayment of Short Term Borrowings | 7,913,758 | (8,341,716) | 2,074,576 |
| Cash Generated from Operations | 14,912,303 | | 11,744,833 |
| Interest paid | (2,847,087) | | (2,068,551) |
| Direct Taxes paid | (3,267,306) | (6,114,393) | (2,293,669) |
| Cash flow before extraordinary items. | 8,797,910 | | 17,645,101 |
| Extraordinary Items | - | | 118,288 |
| NET CASH FROM OPERATING ACTIVITIES (A) | 8,797,910 | | 17,763,389 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets (Including Capital WIP) | (5,258,606) | | (11,469,358) |
| Purchase of investments | - | | (395,660) |
| Sale of Fixed Assets | 360,001 | (4,898,605) | - |
| NET CASH USED IN INVESTING ACTIVITIES (B) | (4,898,605) | | (11,865,018) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Long Term Loan | (2,232,407) | | 814,662 |
| Increase in Paid-up Capital | - | | - |
| Dividends paid | (3,486,675) | (5,719,082) | (5,597,232) |
| NET CASH FROM FINANCING ACTIVITIES (C) | (5,719,082) | | (4,782,570) |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | (1,819,777) | | 1,115,801 |
| CASH & CASH EQUIVALENTS: | (1,819,777) | | 1,115,801 |
| Opening Balance at Beginning of the year | 5,576,371 | | 4,460,570 |
| Closing Balance at the End of the year | 3,756,594 | | 5,576,371 |
| NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS | (1,819,777) | | 1,115,801 |

As per our report attached
For GAURANG MERCHANT & CO.
Chartered Accountants
Firm Reg. No. 103111W

(G. V. MERCHANT)
Proprietor
Membership No. 17345
Mumbai : June 3, 2013

For and on behalf of the Board of Directors.

AMIT J. PATEL
CHAIRMAN

Place : Mumbai: May 30, 2013

DAIKAFFIL

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Note 1. SIGNIFICANT ACCOUNTING POLICIES:

1) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS :

The financial statements are prepared under historical cost convention on an accrual basis and are generally in accordance with the requirements of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the Accounting Standards notified by the Companies (Accounting standards) Rules, 2006.

2) FIXED ASSETS :

Fixed Assets are stated at the original cost including other expenses related to acquisition and installation, net of tax / duty credits availed less accumulated depreciation.

3) DEPRECIATION :

(a) Depreciation on fixed assets is provided on straight line method at the rates and in the manner laid down in Schedule XIV of the Companies Act, 1956.

(b) Depreciation on assets acquired / purchased during the year has been provided on pro rata basis according to the period each asset was put to use during the year.

4) IMPAIRMENT OF ASSETS

An Asset is treated as Impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

5) FOREIGN CURRENCY TRANSACTIONS.

The transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies are translated at the exchange rate prevailing on the last date of the accounting year. Gain or loss arising out of translation / conversion is taken credit for or charged to Profit and Loss Account.

6) INVESTMENTS :

Long term investments are stated at cost. Provision for Diminution in value is made to recognize decline, other than temporary in the value of investments.

7) INVENTORIES :

Items of Inventory are valued at lower of cost or net realizable value (Except Stores and Packing materials which are valued at cost). Cost Comprises of expenditure incurred in the normal course of business in bringing such inventories to its location and included where applicable appropriate overheads based on normal level of activity.

8) REVENUE RECOGNITION :

a) Sale of goods:

Sales are recognized when the significant risks and rewards of ownership have passed to the buyer, which generally coincides with delivery. It includes Excise Duty but excludes Value added Tax and Sales Tax.

b) Export sales are accounted on the basis of dates of on board Bill of lading and/ or Airway bill.

c) Export Incentives are accounted on accrual basis.

9) RETIREMENT AND OTHER EMPLOYEE BENEFITS :

a) Defined Contribution Plan:

Contribution paid / payable by the company during the period to Provident fund and Labour welfare fund are recognized in the statement of profit and loss.

b) Defined Benefit plan:

i) Gratuity Plan:

The Company through an Employee Gratuity Trust Fund has taken an insurance policy under the group gratuity scheme with Life Insurance Corporation of India to cover the gratuity liability of the employees of the company. The liability for gratuity is ascertained on the basis of actuarial valuation done at the end of the financial year by LIC. The contribution made to the fund is charged to Statement of Profit and Loss.

ii) Leave encashment :

The Company has taken an insurance policy with Life Insurance Corporation of India to cover the Employee's Leave encashment Liability of the company. The liability for leave encashment is provided on the basis of actuarial valuation done at the end of the financial year by LIC. The contribution made to the fund is charged to Statement of Profit and Loss.

10) TAXES ON INCOME :

The Income tax expense comprises Current tax and Deferred tax. Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal Income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT Credit/ Asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal tax during the specified period.

11) CONTINGENT LIABILITIES:

The Company recognizes a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is possible obligation or present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

DAIKAFFIL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2013

As at
31/03/2012

Note 2:

Share Capital

a) Authorised

65,00,000 (65,00,000) Equity Shares of Rs.10/- Each. 65,000,000 65,000,000

b) Issued,subscribed and Paid up :

60,00,000 (60,00,000) Equity Shares of Rs.10/- Each. 60,000,000 60,000,000

60,000,000 60,000,000

c) Reconciliation of number of Equity Shares :

| Particulars | As at 31/03/2013 | | As at 31/03/2012 | |
|--------------------------------------|------------------|----------------|------------------|----------------|
| | No. of Shares | Value (Rupees) | No. of Shares | Value (Rupees) |
| Balance at the beginning of the year | 6,000,000 | 60,000,000 | 6,000,000 | 60,000,000 |
| Add: Shares Issued during the year | - | - | - | - |
| Balance at the end of the year | 6,000,000 | 60,000,000 | 6,000,000 | 60,000,000 |

d) Terms/ Rights attached to the Shares :

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

In the event of Liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferred amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Details of Shares held by Shareholders holding more than 5% of the Aggregate Shares in the Company

| Name of the Shareholders | As at 31/03/2013 | | As at 31/03/2012 | |
|---|------------------|------------------------------------|------------------|------------------------------------|
| | No. of Shares | Shares as % of Total No. of Shares | No. of Shares | Shares as % of Total No. of Shares |
| 1 Jayant Patel | - | - | 300,950 | 5.02% |
| 2 Amit Patel | 927,450 | 15.46% | 661,500 | 11.03% |
| 3 Caffil Private Ltd., | 503,300 | 8.39% | 503,300 | 8.39% |
| 4 H.G.E. Chemical Company S.A. (Luxembourg) | 749,700 | 12.50% | 749,700 | 12.50% |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2013

| | As at 31/03/2012 | |
|---|---------------------|-------------------|
| Note 3 : | | |
| Reserves and Surplus | | |
| Revaluation Reserve | | |
| Balance at the beginning of the year | 2,483,400 | 2,483,400 |
| Add : During the year | - | - |
| | 2,483,400 | 2,483,400 |
| Share Premium | | |
| Balance at the beginning of the year | 3,448,620 | 3,448,620 |
| Add : During the year | - | - |
| | 3,448,620 | 3,448,620 |
| General Reserve | | |
| Balance at the beginning of the year | 8,200,000 | 8,000,000 |
| Add : Transferred from surplus | 1,500,000 | 200,000 |
| | 9,700,000 | 8,200,000 |
| Surplus in Statement of Profit and Loss | | |
| Balance at the beginning of the year | 15,227,946 | 17,801,632 |
| Add : During the year | 9,750,622 | 1,089,814 |
| | 24,978,568 | 18,891,446 |
| Less : Appropriations | | |
| Transfer to General Reserve | (1,500,000) | (200,000) |
| Short Provision of Dividend distribution tax of previous year | (23,175) | - |
| Proposed Dividend | (30,00,000) | (3,000,000) |
| Corporate Dividend Tax Thereon | (5,09,850) | (463,500) |
| | 19,945,543 | 15,227,946 |
| | 35,577,563 | 29,359,966 |
| Note 4 : Long - Term Borrowings | | |
| Secured Loan | | |
| Term Loan from Bank | 1,635,638 | 4,314,822 |
| (The above Loan is secured against hypothecation of Stock in Trade, Book Debts, Plant and Machinery, Other Fixed Assets and Mortgage by Deposit of Title Deeds of Leasehold Land) | | |
| Car Loan from Bank | 468,692 | 21,915 |
| (Secured against Hypothecation of Motor Cars) | | |
| Less : Shown as Current Maturities of Term Loans | | |
| Under Other Current Liabilities | (1,784,942) | (2,668,971) |
| | 319,388 | 1,667,766 |

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2013

| | | Charge/ (credit) during the year | As at 31/03/2012 |
|--|------------------|-------------------------------------|---------------------|
| Note 5 : | | | |
| Deferred Tax Liabilities (Net) | | | |
| Deferred Tax Liabilities: | | | |
| on account of timing difference in depreciation | 3,598,292 | 5,178 | 3,593,114 |
| Sub-Total | 3,598,292 | 5,178 | 3,593,114 |
| Deferred Tax Assets: | | | |
| on account of Allowances / Disallowance Under Income Tax Act, 1961 | 368,590 | 68,223 | 300,367 |
| Sub-Total | 368,590 | 68,223 | 300,367 |
| Net Deferred tax liability | 3,229,702 | (63,045) | 3,292,747 |

Note 6 :

Long Term Provisions

Employees benefits :-

Provision for Gratuity (Refer note No. 24 Fund lying with

LIC- In a separate trust account)

Provision for Leave Encashment

| | |
|----------------|---------|
| - | - |
| 583,306 | 536,207 |
| 583,306 | 536,207 |

Note 7

Short - Term Borrowings

Secured Loan

From Bank

| | | |
|-------------------------|-------------------|------------|
| - Cash Credit | 4,219,241 | 2,013,781 |
| - Export Packing Credit | 19,182,948 | 16,474,650 |
| - Bill Discounting | 3,000,000 | - |
| | 26,402,189 | 18,488,431 |

Secured against hypothecation of Stock in Trade, Book Debts, Plant and Machinery, Other Fixed Assets and Mortgage by Deposit of Title Deeds of Leasehold Land.

Note 8 :

Trade Payables

| | | |
|---|-------------------|------------|
| Due to Micro, Small and Medium Enterprises * | 1,120,255 | 87,054 |
| Due to creditors other than Micro, Small and Medium Enterprises | 47,328,474 | 50,416,326 |
| | 48,448,729 | 50,503,380 |

* Based on the information available with the Company in respect of Micro, Small & Medium Enterprises (as defined in 'The Micro, Small & Medium Enterprises, Development Act, 2006'). The Company is generally regular in making payments of dues to such enterprises.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2013

As at
31/03/2012

Note 9 :

Other Current Liabilities

| | | |
|---|------------------|------------------|
| Other Liabilities | 292,168 | 540,479 |
| Liability Towards Employees | 3,895,356 | 1,473,894 |
| Statutory Liabilities | 492,173 | 184,433 |
| Unpaid Dividend # | 1,097,738 | 1,006,907 |
| Trade Deposit and Advance | 216,200 | 209,000 |
| Current Maturities of Long Term Borrowings (see note 4) | 1,784,942 | 2,668,971 |
| | <u>7,778,577</u> | <u>6,083,684</u> |

As at the year end there is no amount due for payment to the Investor Education & Protection Fund under Section 205C of the Companies Act, 1956.

Note 10 :

Short Term Provisions

| | | |
|--------------------------------------|------------------|-------------------|
| Provision for Dividend | 3,000,000 | 3,000,000 |
| Provision for Corporate Dividend Tax | 509,850 | 463,500 |
| Provision for Income Tax | 5,551,000 | 12,751,000 |
| Less : Advance Tax / TDS | <u>5,453,318</u> | <u>14,318,737</u> |
| | 97,682 | (1,567,737) |
| Less Refer Note 18 | - | (1,567,737) |
| | <u>97,682</u> | - |
| | <u>3,607,532</u> | <u>3,463,500</u> |

**Note 11
FIXED ASSETS**

| Name of Assets | Gross Block | | | Depreciation | | | Net Block | | | |
|--------------------------|---------------------|------------|------------|---------------------|--------------------------------|--------------------------|--|---------------------|---------------------|---------------------|
| | As at 31/03/2012 | Additions | Deductions | As at 31/03/2013 | Provided Upto 31/03/2012 | Provided this year | Adjustment/ Deduction during the year | As at 31/03/2013 | As at 31/03/2013 | As at 31/03/2012 |
| LAND (LEASEHOLD) | 3,900,000 | - | | 3,900,000 | | | | 3,900,000 | 3,900,000 | |
| FACTORY BUILDING | 23,655,521 | 115,310 | | 23,770,831 | 8,664,046 | 792,137 | - | 9,456,184 | 14,314,647 | 14,991,475 |
| FLAT | 319,031 | - | | 319,031 | 84,843 | 5,200 | - | 90,043 | 228,988 | 234,188 |
| PLANT & MACHINERY | 83,273,593 | 6,307,043 | 600,000 | 88,980,636 | 55,965,554 | 4,080,428 | (600,000) | 59,445,982 | 29,534,654 | 27,308,039 |
| ELECTRICAL INSTALLATIONS | 5,823,241 | 40,118 | | 5,863,359 | 2,491,556 | 278,091 | - | 2,769,647 | 3,093,712 | 3,331,685 |
| LABORATORY EQUIPMENT | 1,568,401 | - | | 1,568,401 | 265,219 | 74,499 | - | 339,718 | 1,228,683 | 1,303,182 |
| OFFICE EQUIPMENTS | 869,416 | 70,604 | 20,000 | 920,020 | 305,158 | 40,783 | (17,100) | 328,840 | 591,179 | 564,258 |
| FURNITURE & FIXTURES | 1,425,662 | 72,052 | | 1,497,714 | 308,229 | 97,677 | - | 405,906 | 1,091,808 | 1,117,433 |
| COMPUTER | 821,264 | 183,289 | - | 1,004,553 | 469,872 | 148,081 | (96,700) | 521,252 | 483,301 | 351,392 |
| VEHICLES | 1,069,136 | 873,206 | 568,009 | 1,374,333 | 603,914 | 100,799 | (203,274) | 501,439 | 872,894 | 465,222 |
| Total | 122,725,265 | 7,661,622 | 1,188,009 | 129,198,878 | 69,158,390 | 5,617,696 | (917,074) | 73,859,012 | 55,339,866 | 53,566,875 |
| Previous year | 109,216,047 | 13,509,218 | - | 122,725,265 | 64,356,808 | 4,801,582 | 0 | 69,158,390 | | |
| Capital Work-in-Progress | | | | | | | | | 1,815,135 | 4,218,151 |
| | | | | | | | | | 57,155,001 | 57,785,026 |

Note : The Company had revalued its Land at market value as at 31/03/94 which resulted in a net increase of Rs. 24,83,400/- to its value.

DAIKAFFIL**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2013**

| | | As at 31/03/2012 |
|--|--------------------------|--------------------------|
| Note 12 : | | |
| Non Current Investments | | |
| Long-term | | |
| Unquoted and non trade | | |
| Investment in 264666 (264666) Equity shares of face value Rs.10/- each of Erca Speciality Chemicals Pvt. Ltd., | 829,032 | 2,646,600 |
| Less: Provision for Diminution in the value of investment | - | 1,817,628 |
| | <u>829,032</u> | <u>829,032</u> |
| Note 13 : | | |
| Long Term Loans and Advances | | |
| <i>Unsecured and Considered Good</i> | | |
| A Capital Advances | - | 42,500 |
| B Security Deposits | 1,325,615 | 1,250,415 |
| C Asset with LIC for Leave Encashment (Refer Note 24) | 763,042 | 699,077 |
| D Asset with LIC for Gratuity Fund (Refer Note 24) | 225,614 | 15,855 |
| | <u>2,314,271</u> | <u>2,007,847</u> |
| Note 14 : | | |
| Inventories - As certified by Management | | |
| Valued at Lower of Cost or Net Realizable Value : | | |
| Raw Materials | 18,225,110 | 22,078,614 |
| Work-in- Progress | 19,807,514 | 16,356,471 |
| Finished Goods | 4,816,450 | 5,841,825 |
| Stock-in-Trade | 89,220 | 277,571 |
| Valued at Cost : | | |
| Stores and Spares. | 359,910 | 161,400 |
| Packing Materials | 635,839 | 385,541 |
| | <u>43,934,043</u> | <u>45,101,422</u> |
| Note 15 : | | |
| Trade Receivables | | |
| <i>Unsecured and Considered Good</i> | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 546,478 | 6,124 |
| Other Trade Receivables | 65,705,643 | 49,278,656 |
| | <u>66,252,121</u> | <u>49,284,780</u> |
| Note 16 : | | |
| Cash and Bank Balances | | |
| A Cash and Cash Equivalents : | | |
| Cash on hand | 27,874 | 48,391 |
| Balances with Banks in current accounts | 1,038,450 | 3,060,947 |
| | <u>1,066,324</u> | <u>3,109,338</u> |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2013

| | As at 31/03/2012 | |
|--|-------------------------|-------------------------|
| B Others bank balances :- | | |
| - Deposit Accounts (with maturity more than 3 months but less than 12 months) Lodged as security with Bank as Margin Money against Letters of Credit and Bank Guarantee. | 1,592,532 | 1,460,125 |
| Earmarked balances with bank for Unpaid Dividends | <u>1,097,738</u> | <u>1,006,908</u> |
| | <u>2,690,270</u> | <u>2,467,033</u> |
| Total | <u>3,756,594</u> | <u>5,576,371</u> |
| Note 17 : | | |
| Short - Term Loans and advances | | |
| <i>Unsecured and Considered Good</i> | | |
| Prepaid Expenses | 334,658 | 177,998 |
| Cenvat Credit Receivable | 3,140,656 | 3,202,123 |
| Loans to Employees | 112,600 | 239,600 |
| Balances with Government Authorities | 5,349,334 | 4,007,549 |
| Advances to Suppliers | <u>67,624</u> | <u>455,966</u> |
| | <u>9,004,872</u> | <u>8,083,236</u> |
| Note 18 : | | |
| Other Current Assets | | |
| Unsecured and Considered Good | | |
| Interest Accrued on Investments / Deposits | 127,011 | 121,767 |
| Insurance claim receivable | - | 1,192,200 |
| Minimum Alternate Tax Credit Entitlement | - | 258,000 |
| For others | | |
| For Advance Tax / TDS | 5,453,318 | 14,318,737 |
| Less : Provision for Income Tax | <u>5,551,000</u> | <u>12,751,000</u> |
| | <u>(97,682)</u> | <u>1,567,737</u> |
| Less Refer note 10 | <u>(97,682)</u> | - |
| | - | 1,567,737 |
| For others | | |
| MVAT Recoverable from Govt. | 1,870,381 | 1,535,910 |
| DEPB Licence Unutilised | <u>703,660</u> | <u>52,353</u> |
| | <u>2,701,052</u> | <u>4,727,967</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| | As at 31/03/2012 | |
|--|---------------------------|---------------------------|
| Note 19: | | |
| Revenue from Operations | | |
| a) Sale of Products :- (Refer note 19A) | | |
| - Finished Goods | 290,162,276 | 216,032,891 |
| - Stock-in-Trade | <u>27,251,525</u> | <u>6,519,682</u> |
| | <u>317,413,801</u> | <u>222,552,573</u> |
| b) Sale of Services - Processing Charges | 79,380 | - |
| c) Other Operating Revenue (Export Incentives) | <u>2,615,402</u> | <u>919,773</u> |
| | <u>320,108,583</u> | <u>223,472,346</u> |
| Less : Excise duty | <u>20,422,327</u> | <u>12,545,143</u> |
| Revenue from Operations(Net) | <u>299,686,256</u> | <u>210,927,203</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| | | Year ended 31/03/2012 | | |
|---|--------------------|---------------------------|--------------------|---------------------------|
| 19A Details of Products Sold | | | | |
| (i) Sale of finished Goods | | | | |
| Organic Intermediates (Net of Excise) | 99,877,382 | 81,932,692 | | |
| Optical Brighteners (Net of Excise) | 169,862,567 | 121,555,056 | | |
| Add: Excise Duty | 20,422,327 | 12,545,143 | | |
| (iii) Sale of Goods - in - Trade (Net of Excise Duty) | | | | |
| Optical Brighteners | 27,251,525 | 6,519,682 | | |
| | <u>317,413,801</u> | <u>222,552,573</u> | | |
| Note 20 : | | | | |
| Other Income | | | | |
| Interest : | | | | |
| - On Bank Deposits | 147,119 | 171,410 | | |
| - Others | 385,435 | 323,144 | | |
| Exchange Gain (Net) | 3,880,034 | 2,697,141 | | |
| Miscellaneous Income | (49,744) | - | | |
| | <u>4,362,844</u> | <u>3,191,695</u> | | |
| Note 21 : | | | | |
| Raw Materials Consumed | | | | |
| Raw materials Consumed : | | | | |
| Opening stock | 22,078,614 | 22,076,667 | | |
| Add : Purchase | 176,234,763 | 136,864,469 | | |
| | <u>198,313,377</u> | <u>158,941,136</u> | | |
| Less : Raw Material Sales | 3,338,725 | 486,587 | | |
| Less : Loss on account of fire | - | 1,049,479 | | |
| | <u>194,974,652</u> | <u>157,405,070</u> | | |
| Less : Closing Stock | 18,225,110 | 22,078,614 | | |
| | <u>176,749,542</u> | <u>135,326,456</u> | | |
| (A) Details of Raw Materials Consumed | | | | |
| Chemicals | | | | |
| Organic Intermediates | 102,998,903 | 121,110,006 | | |
| Inorganic Intermediates | 73,750,639 | 14,216,450 | | |
| | <u>176,749,542</u> | <u>135,326,456</u> | | |
| (B) Value of imported and Indigenous of Raw Materials consumed | | | | |
| | 2012-13 | | 2011-12 | |
| | Value | % to total Consumption | Value | % to total Consumption |
| Raw Materials : | | | | |
| Imported at landed cost | 80,054,096 | 45.29% | 74,353,931 | 54.94% |
| Indigenously obtained | 96,695,446 | 54.71% | 60,972,525 | 45.06% |
| | <u>176,749,542</u> | <u>100.00%</u> | <u>135,326,456</u> | <u>100.00%</u> |
| Note 22 : | | | | |
| Purchase of Goods - in- Trade | | | <u>21,486,030</u> | <u>5,336,422</u> |
| Optical Brighteners | <u>21,486,030</u> | | <u>5,336,422</u> | |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Year ended
31/03/2012

Note 23 :

Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade

| | | | | |
|-----------------------------|-------------------|--------------------|------------|--------------------|
| Opening Stock | | | | |
| Work- in- Progress | 16,356,471 | | 15,357,797 | |
| Finished Goods | 5,841,825 | | 2,770,241 | |
| Stock-in-Trade | 277,571 | 22,475,867 | 1,079,969 | 19,208,007 |
| Less : Closing Stock | | | | |
| Work - in - Progress | 19,807,514 | | 16,356,471 | |
| Finished Goods | 4,816,450 | | 5,841,825 | |
| Stock-in-Trade | 89,220 | 24,713,184 | 277,571 | 22,475,867 |
| | | (2,237,317) | | (3,267,860) |

Note 23 A :

Details of Work In Progress

| | | |
|-----------------------|-------------------|-------------------|
| Optical Brighteners | 10,995,486 | 6,028,278 |
| Organic Intermediates | 8,812,028 | 10,328,193 |
| | 19,807,514 | 16,356,471 |

Note 24 :

Employee Benefit expenses

| | | |
|---|-------------------|-------------------|
| Salaries, Wages and Bonus | 17,716,350 | 14,126,787 |
| Contribution to Providend, Gratuity and other Funds * | 1,319,251 | 1,160,453 |
| Staff Welfare Expenses | 858,846 | 627,769 |
| | 19,894,447 | 15,915,009 |

* As required by Accounting Standard 15 Employees Benefits (AS-15), the disclosures are as under :

A) Defined Contribution Plans

a) The company makes Contribution to Provident fund and employees pension scheme to Defined Contribution plan for qualifying employees. Under the schemes the company is required to contribute a specified percentage of the payroll costs to fund the benefits

b) Charge to Statement of Profit and Loss for Defined Contribution Plan is as under :

| | | |
|--|------------------|----------------|
| - Employers' Contribution to Provident Fund | 626,697 | 469,823 |
| - Employers' Contribution to Employees' State Insurance | 24,897 | 26,024 |
| - Employers' Contribution to Employees' Pension Scheme, 1995 | 408,637 | 427,936 |
| Total A | 1,060,231 | 923,783 |

B) Defined Benefit Plans

a) The company offers the following employee benefit scheme to its employees

- i) Gratuity
- ii) Other Defined Benefit plans (Leave Encashment)

b) Charge to Statement of Profit and Loss for Defined Benefit Plan is as under :

| | | |
|--|------------------|------------------|
| - Employers' Contribution to LIC Group Gratuity Scheme | 250,965 | 195,726 |
| - Employers' Contribution to LIC Leave Encashment Scheme | (16,866) | 14,529 |
| - LIC fund management charges | 24,921 | 26,415 |
| Total B | 259,020 | 236,670 |
| Total (A+B) | 1,319,251 | 1,160,453 |

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The following table set outs the funded status of the Defined Benefit schemes and the amounts recognised in the Financial Statements :

| | As at 31/03/2013 | | As at 31/03/2012 | |
|--|------------------|------------------|------------------|------------------|
| | Gratuity | Leave Encashment | Gratuity | Leave Encashment |
| A Changes in the Present Value of Obligation | | | | |
| Present Value Of Obligation as at Beginning of the Year | 3,396,874 | 536,207 | 2,973,003 | 470,941 |
| Interest Cost | 271,750 | 42,897 | 237,840 | 37,675 |
| Current Service Cost | 199,750 | - | 211,581 | 6,029 |
| Past service Cost | - | - | - | - |
| Benefits paid | - | - | (49,447) | (8,571) |
| Acturial Gains / (Loss) | 126,263 | 4,202 | 23,897 | 30,133 |
| Present value of Obligation as at the end of the year | <u>3,994,637</u> | <u>583,306</u> | <u>3,396,874</u> | <u>536,207</u> |
| B Changes in the Fair Value of Plan Assets | | | | |
| Fair Value of Assets as at Beginning of the Year | 3,412,729 | 699,077 | 2,538,724 | 648,340 |
| Expected return | 346,798 | 63,965 | 277,592 | 59,308 |
| Acturial Gains / (Loss) | - | - | - | - |
| Net Contribution by Employer | 460,724 | - | 645,860 | - |
| Benefits paid | - | - | (49,447) | (8,571) |
| Fair value of Assets as at the end of the year | <u>4,220,251</u> | <u>763,042</u> | <u>3,412,729</u> | <u>699,077</u> |
| C Amount Recognised in the Balance sheet | | | | |
| Present value of Obligation as at the end of the year | 3,994,637 | 583,306 | 3,396,874 | 536,207 |
| Fair value of Assets as at the end of the year | 4,220,251 | 763,042 | 3,412,729 | 699,077 |
| Unfunded Liability / (Net asset) Recognised in Balance Sheet | <u>(225,614)</u> | <u>(179,736)</u> | <u>(15,855)</u> | <u>(162,870)</u> |
| D Balance sheet Reconciliation | | | | |
| Net Laibility at the beginning of the year | (15,855) | (162,870) | 434,279 | (177,399) |
| Expense Recognised during the year | 250,965 | (16,866) | 195,726 | 14,529 |
| Contribution during the year | (460,724) | - | (645,860) | - |
| Net Laibility Recongnised at the end of the year | <u>(225,614)</u> | <u>(179,736)</u> | <u>(15,855)</u> | <u>(162,870)</u> |
| E Amount recognised in Statement of Profit & Loss | | | | |
| Current Service Cost | 199,750 | - | 211,581 | 6,029 |
| Interest Cost | 271,750 | 42,897 | 237,840 | 37,675 |
| Expected Return on Plan Asset | (346,798) | (63,965) | (277,592) | (59,308) |
| Settlemnt Cost / (Credit) | - | - | - | - |
| Past Service cost | - | - | - | - |
| Net Acturial (Gain)/ Loss recognised in the period | 126,263 | 4,202 | 23,897 | 30,133 |
| Total Expenses charged to Statement of Profit & Loss | <u>250,965</u> | <u>(16,866)</u> | <u>195,726</u> | <u>14,529</u> |
| F Percentage of each category of Plan assets to Fair Value of plan Assets | | | | |
| (1) Insurer Managed fund | 100.00% | 100.00% | 100.00% | 100.00% |
| G Acturial Assumptions | | | | |
| Discount Rate | 8.00% | 8.00% | 8.00% | 8.00% |
| Expected return on Plan | 9.15% | 9.15% | 9.15% | 9.15% |
| Salary Escalation | 4.00% | 4.00% | 4.00% | 4.00% |

The principle plan assets consists of a scheme of insurance taken by the trust, which is a quillifying policy. Breakdown of individual investments that comprise the total plan assets is not supplied by the insurrer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| | Year ended 31/03/2012 | |
|--|--------------------------|-------------------|
| Note 25 : | | |
| Finance Cost | | |
| Bank Interest | 2,847,087 | 2,068,551 |
| Hire purchase charges | 1,214 | 11,995 |
| Processing, documentation and other borrowing cost | 151,727 | 427,303 |
| | 3,000,028 | 2,507,849 |
| Note 26 : | | |
| Other Expenses | | |
| Manufacturing Expenses | | |
| Consumption of stores and spare parts | 224,739 | 490,431 |
| Power and fuel | 14,693,605 | 12,913,733 |
| Water consumption | 1,061,563 | 1,106,976 |
| Water treatment | 456,866 | 1,171,437 |
| Repairs and maintenance - Buildings | 129,960 | 176,586 |
| Repairs and maintenance - Machinery | 2,798,159 | 1,562,403 |
| Electrical Maintenance. | 47,906 | 53,587 |
| Laboratory Expenses | 411,490 | 146,918 |
| Handling Loss | 64,750 | 51,083 |
| TOTAL (A) | 19,889,038 | 17,673,154 |
| Selling, Distribution and Administration expenses | | |
| Rent including lease rentals | 873,000 | 644,000 |
| Repairs and maintenance - Others | 176,941 | 160,096 |
| Consumption of packing materials | 7,673,579 | 6,563,298 |
| Insurance | 539,343 | 409,895 |
| Rates and taxes | 125,313 | 120,745 |
| Communication | 517,945 | 442,517 |
| Travelling and conveyance | 621,707 | 408,281 |
| Printing and stationery | 354,679 | 323,938 |
| Freight and forwarding | 7,361,484 | 5,424,718 |
| Sales commission : export/local | 14,178,027 | 9,968,839 |
| Discount on sales | 424,276 | 225,765 |
| Business promotion | 223,237 | 349,458 |
| Legal and professional | 1,327,344 | 462,597 |
| Payments to auditors | | |
| - Audit Fees | 125,000 | 120,000 |
| - Tax Audit Fees | 55,000 | 45,000 |
| - Taxation matter | 24,000 | 26,000 |
| - Certification Fees/Other Services | 25,000 | 82,500 |
| | 229,000 | 273,500 |
| Bank Commission & Charges | 472,456 | 297,160 |
| Clearing & Forwarding Charges | 770,294 | 659,860 |
| Export Freight | 4,983,955 | 2,792,802 |
| Electricity charges | 164,804 | 100,058 |
| Vehicle Expenses | 342,643 | 321,282 |
| Membership & Filing Fees | 194,281 | 211,490 |
| Terminal Handling Charges | 861,980 | 1,101,855 |
| Loss on sale of Fixed Assets | 7,634 | - |
| Value Added Tax | - | 135,749 |
| Director Sitting fees | 105,000 | 115,000 |
| Entertainment Expenses | 147,301 | 152,029 |
| Share Transfer Expenses | 123,465 | 104,807 |
| Sales Marketing Fees | 364,303 | - |
| Administrative Charges | 900,000 | - |
| Miscellaneous expenses | 804,042 | 664,192 |
| TOTAL (B) | 44,868,034 | 32,433,931 |
| TOTAL (A + B) | 64,757,072 | 50,107,085 |

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Note 27:

Related party Disclosure

I) Name of the Related party and nature of relationship

A. Associate Enterprises

- M/s Caffil Private Limited
- M/s Amichem
- M/s Erca Speciality Chemicals Pvt. Ltd
(Joint Venture Company)

B. Key Management Personnel

- Mr. Sishir Amin (Managing Director)
- Mr. Amit Patel (Executive Chairman)
- Mr. Jayant Patel (Expired on 1-6-2012)
- Mr. Aditya Patel (Appointed on 14-08-2012)

II) Summary of Transactions with related parties during the year:

| | PARTICULARS | ERCA | CAFFIL | Mg. DIRECTOR | CHAIRMAN | DIRECTOR |
|---|---------------------------------------|-----------|---------|--------------|----------|----------|
| 1 | Sales (Net) | 4,637,564 | - | - | - | - |
| 2 | Charges received for Processing Goods | - | 79,380 | - | - | - |
| 3 | Administration Charges paid | 900,000 | | | | |
| 4 | Charges paid for Processing Goods | - | 93,083 | - | - | - |
| 5 | Remuneration to Directors * | - | - | 1,855,983 | 923,252 | - |
| 6 | Director - Sitting Fees | - | - | - | - | 25,000 |
| 7 | Outstanding Balances: | | | | | |
| | Due to the Company (Debtors) | 4,664,340 | 77,792 | - | - | - |
| | Due by the Company (Creditors) | 135,000 | 195,009 | - | - | - |

* Excluding Provision for Gratuity & Leave encashment as the actuarial valuation is done on the overall company basis

Note 28:

Contingent Liabilities

| | PARTICULARS | As at 31/03/2013 | As at 31/03/2012 |
|---|---|---------------------|---------------------|
| 1 | Estimated amount of Arrears on account of revision of Wages for Factory workers pending settlement with the Union | - | 730,000 |
| 2 | Outstanding Letters of Credit | 5,276,688 | 11,740,000 |
| 3 | Outstanding Bank Guarantee | 25,000 | 25,000 |
| | | 5,301,688 | 12,495,000 |

Note 29:

Commitments

Estimated amount of contract remaining to be executed on capital Account and not provided for Rs. 100 Lakhs (P.Y.Rs. 100 Lakhs)

Note 30:

Disclosure of Interest in Joint Venture

Details of Company's interest in its Joint Venture, having joint control, as per the requirement of Accounting Standard (AS) - 27 on "Financial Reporting of Interest in Joint Ventures" notified under the Companies (Accounting Standard) Rules, 2006, are as under:

| Sr. No. | PARTICULARS | As at 31/03/2013 | As at 31/03/2012 |
|---------|-----------------|---------------------|---------------------|
| | % Shares Held | 25.00% | 25.00% |
| a) | Assets | 2,146,066 | 1,489,792 |
| b) | Liabilities | 1,321,525 | 660,794 |
| c) | Income | 1,925,478 | 1,533,427 |
| d) | Expenses | 1,944,626 | 1,665,202 |
| e) | Net Worth (a-b) | 824,541 | 828,998 |

Note 31 :

Dues to Micro and Small suppliers

| Particulars | Mar 31,2013 | Mar 31,2012 |
|--|--------------------|--------------------|
| a) The amounts remaining unpaid at the Balance sheet Date | | |
| - Principal | 1,120,255 | 87,054 |
| - Interest | - | - |
| b) The amount of Interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) | - | - |
| c) The amount of the payments made to Micro and Small suppliers beyond the appointed day during the year. | | |
| - Principal | 903,359 | 315,398 |
| - Interest | - | - |
| d) 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 without adding the interest specified under MSMED Act, 2006. | - | - |
| e) The amount of interest accrued and remaining unpaid at the end of each accounting year | 22,709 | 5,951 |
| f) Total Interest due but not paid for the earlier years | 5,951 | - |

Note : The above information has been compiled by the company on the basis of information made available by vendors during the year 2012

Note 32 :

The excise duty payable if any on finished goods held in the factory is neither included in expenditure nor valued in such stock but is accounted for on clearance of goods from factory. This accounting treatment has no impact on profits.

Note 33 :

Sundry Debtors and Loans and Advances are subject to confirmation.

Note 34 :

Segment Information has not been given as the Company does not have any segment.

Note 35 :

Earnings per Share

| PARTICULARS | As at 31/03/2013 | As at 31/03/2012 |
|--|-----------------------------|-----------------------------|
| (A) Profit attributable to Equity Shareholders (Rs.) | 9,750,622 | 1,089,814 |
| (B) No. of Equity Share outstanding during the year. | 6,000,000 | 6,000,000 |
| (C) Face Value of each Equity Share (Rs.) | 10 | 10 |
| (D) Basic & Diluted earning per Share (Rs.) | 1.63 | 0.18 |

Note 36 :

Expenditure in Foreign Currency on Account of :-

| | | |
|--------------|-------------------|-----------|
| - Travelling | 44,894 | 67,372 |
| - Commission | 13,131,597 | 9,867,495 |

Note 37 :

Earning in Foreign Currency

| | | |
|----------------------|--------------------|-------------|
| FOB Value of Exports | 211,854,990 | 149,896,821 |
|----------------------|--------------------|-------------|

Note 38 :

Remittance in Foreign Currency on Account of Dividend

| | | |
|--|----------------|---------|
| (a) Number of Non-Resident Shareholders | 2 | 2 |
| (b) Number of Equity shares held by them | 994,700 | 994,700 |
| (c) (i) Amount of dividend Paid (Gross) | 497,350 | 795,760 |
| Tax deducted at source | -- | -- |
| (ii) Year to which dividend relates | 2011-12 | 2010-11 |

Note 39 :

Value of Import on CIF Basis

| | | |
|---------------|-------------------|------------|
| Raw Materials | 83,157,463 | 70,462,512 |
|---------------|-------------------|------------|

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CHEMICALS INDIA LIMITED

Registered office : E-4, M.I.D.C. Tarapur, Boisar District Thane, Maharashtra-401506

PROXY FORM

Reg. Folio No....

I/We _____

of _____ in the district of _____

_____ being a member/members of the above named Company

hereby appoint _____ of _____

_____ in the district of _____

_____ or failing him _____

of _____ in the district of _____

as my/our proxy to vote for me/us on my/our behalf at the 21st ANNUAL GENERAL MEETING of the Company to be held on 27th September, 2013 and any adjournment thereof.

Signed this _____ day of _____ 2013.

Signature _____

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



DAIKAFFIL
CHEMICALS INDIA LIMITED

Registered office : E-4, M.I.D.C. Tarapur, Boisar District Thane, Maharashtra-401506

ATTENDANCE SLIP

21st Annual General Meeting : September 27, 2013.

Reg.Folio No.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 21st ANNUAL GENERAL MEETING of the Company at E-4, M.I.D.C. Tarapur, Boisar, District Thane, Maharashtra-401506 at 11.30 a.m. on Friday, September 27, 2013.

Signature of the Shareholder/Proxy _____

Note : Please fill in this attendance slip and hand it over at the ENTRANCE

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