



**DAIKAFIL**  
**CHEMICALS INDIA LIMITED**

**25**  
*YEARS*

**25<sup>th</sup> ANNUAL REPORT**

**2016-2017**

**CIN: L24114MH1992PLC067309**

# DAIKAFFIL

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## BOARD OF DIRECTORS

Sudhir Patel	(Non Executive Chairman) DIN: 00012036
Amit Patel	(Managing Director) DIN: 00005232
Aditya Patel	(Jt. Managing Director & C.F.O.) DIN:00005276
Jagdish Vasa	(Independent Director) DIN:00170466
Giuseppe Seccomandi	(Director) DIN:02213496
Hiroshige Tanaka	(Independent Director) DIN: 05247491
Rajiv Gandhi	(Alternate Director to Mr. Giuseppe Seccomandi) DIN:00438037
Sunil Merchant	(Alternate Director to Mr. Hiroshige Tanaka) DIN:01064306
Maithili Siswawala	(Director) DIN:07107622

## KEY MANAGERIAL PERSONAL

Amit Patel	(Managing Director)
Aditya Patel	(Chief Financial Officer)
Amita Vishwakarma	(Company Secretary)

## BANKERS

Karnataka Bank Limited

## SECRETARIAL AUDITOR

Dinesh Kumar Deora (Practicing Company Secretary)

## AUDITORS

Manish Patel and Company (Statutory Auditors)  
JMT & Associates (Internal Auditors)

## REGISTRARS AND SHARE TRANSFER AGENTS

Link Intime India Pvt Ltd  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083

## CORPORATE OFFICE

52, Nariman Bhavan, Nariman Point, Mumbai 400 021

## REGISTERED OFFICE AND PLANT

Plot No.E-4, M.I.D.C. Tarapur, Boisar, Dist: Palghar – 401 506.

## ANNUAL GENERAL MEETING

**Date:** 4th August, 2017  
**Time:** 10.00 A.M.  
**Venue:** Hotel Sarovar Residency, Near Hotel Sarovar, P-180,  
Tarapur M.I.D.C Area, Chitralay, Boisar West, Dist.Palghar, 401 506  
Tel No. 02525-260297/260298.

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**MEMBERS ARE REQUESTED TO DIRECT ALL CORRESPONDENCE RELATING TO SHARES MATTERS TO THE COMPANY REGISTRARS AND SHARE TRANSFERS AGENTS**

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## NOTICE

**NOTICE** is hereby given that the **25TH ANNUAL GENERAL MEETING** of the Members of **DAIKAFFIL CHEMICALS INDIA LIMITED** will be held on **FRIDAY, THE 4TH DAY OF AUGUST, 2017 at 10.00 A.M.** at **HOTEL SAROVAR RESIDENCY, NEAR HOTEL SAROVAR, P-180, TARAPUR M.I.D.C AREA, CHITRALAY, BOISAR WEST, DIST. PALGHAR, 401 506** to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. The Standalone Audited Financial Statements for the financial year ended March 31, 2017 including the Audited Balance Sheet as at March 31, 2017 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
  - b. The Consolidated Audited Financial Statements for the financial year ended March 31, 2017 including the Audited Balance Sheet as at March 31, 2017 and Statement of Profit & Loss for the year ended on that date and the Report of the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March 2017.
3. To appoint a Director in place of Mrs. Maithili Siswawala, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
4. To ratify the appointment of Statutory Auditors and fix their remuneration and in this regard

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, appointment of M/s. Manish Patel and Company, Chartered Accountants, Mumbai, (Registration No. 126272W), as the Statutory Auditor, is hereby ratified to hold office from conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors, in addition to the service tax and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company to be reimbursed for the financial year ending March 31, 2017.”

**By Order of the Board of Directors**

**For DAIKAFFIL CHEMICALS INDIA LIMITED**

**AMIT J. PATEL**  
(MANAGING DIRECTOR)  
(DIN: 00005232)

Date: May 16, 2017

Place: Mumbai

### **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 the 29th July 2017 to 4th August 2017 (both days inclusive).
3. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 4th August 2017 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 28th July 2017 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 28th July 2017.

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.
  - (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 72 of the Companies Act, 2013, 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 SH-13 (which will be made available on request) to the Registrar and Transfer Agents, M/s Link Intime India Private Limited.
9. Pursuant to provisions of Section 124(5) of the Companies Act, 2013, dividend for the financial year ended March 31, 2010 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:

<b>Financial Year</b>	<b>Type of Dividend</b>	<b>Date of Declaration</b>	<b>Date of Transfer</b>
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	03-10-2019
2012-2013	Final Dividend	27-09-2013	03-10-2020
2013-2014	Final Dividend	26-09-2014	03-10-2021
2014-2015	Final Dividend	21-08-2015	25-09-2022
2015-2016	Final Dividend	02-09-2016	06-10-2023

Those Members who have so far not encashed their dividend warrants from the final dividend 2009 onwards, may approach the Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd, for making their claim without any further delay as the said unpaid dividends will be transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Companies Act. Further Ministry of Corporate Affairs has recently notified new Rules namely "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" which have come into force from September 7, 2016. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years in the name of IEPF Suspense Account. The details of unpaid / unclaimed dividend and number of shares liable to be transferred are available on our website: ([www.daikaffil.com](http://www.daikaffil.com))

Shareholders are requested to note that no claim shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Suspense Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder

10. The Annual Report of the Company for the year 2016-2017 is also uploaded on the Company's website ([www.daikaffil.com](http://www.daikaffil.com))
11. Members are requested to notify any changes in address, signature or other bank particulars for their shares in electronic mode to their respective Depository Participant and for their physical holdings to the Registrar & Share Transfer Agent of the Company i.e. M/s. Link Intime India Private Limited.
12. Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.
13. **MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESSES SO FAR ARE REQUIRED TO REGISTER THEIR E-MAIL ADDRESS FOR RECEIVING ALL COMMUNICATIONS INCLUDING ANNUAL REPORT, NOTICES ETC FROM THE COMPANY ELECTRONICALLY.**
14. In accordance with provision of section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014 the business proposed for the ensuing general Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members.

The Company has engaged the services of **CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED** ("CDSL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evotingindia.com/> during the following voting period.

- |                              |                                     |
|------------------------------|-------------------------------------|
| a) Commencement of E-Voting: | 1st August 2017 (10.00 A.M onwards) |
| b) End of e-voting:          | 3rd August 2017 (till 5.00 P.M.)    |

During the E-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date may cast their vote electronically. The cutoff date for the limited purpose of e-voting is 28th July, 2017

The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.

Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

- |                       |  |
|-----------------------|--|
| PAN                   | <ul style="list-style-type: none"><li>• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li><li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li></ul> |
| DOB                   | <ul style="list-style-type: none"><li>• Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</li></ul>  |
| Dividend Bank Details | <ul style="list-style-type: none"><li>• Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</li><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li></ul>  |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com.

**By Order of the Board of Directors  
For DAIKAFFIL CHEMICALS INDIA LIMITED**

**AMIT PATEL**  
(MANAGING DIRECTOR)  
(DIN: 00005232)

**Registered Office:**  
E-4, M.I.D.C. Tarapur,  
Boisar, District Palghar  
Maharashtra-401506  
Date: May 16, 2017  
Place: Mumbai

## ANNEXURE TO ITEM 3 OF THE NOTICE

The particulars of Directors, who are proposed to be appointed / re-appointed at this Annual General Meeting, are given below, as required pursuant to Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015:

<b>Name of Director</b>	<b>Mrs. Maithili Siswawala</b>
DIN	07107622
Designation	Director
<b>a) A brief resume of the Director:</b>	
Date of Birth	29-12-1968
Date of Appointment	17-03-2015
<b>b) Nature of his expertise in specific functional areas;</b>	Freelance Consulting in Advertising
<b>c) Names of other companies in which he holds:</b>	
(i) Directorship of Board	Nil
(ii) Membership of the Committees of Board	Nil
<b>d) No. of shares held in the Share Capital of the Company</b>	Nil



**DIRECTORS' REPORT**

Dear Members,

Your Directors have immense pleasure in presenting their 25th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

**1. FINANCIAL RESULT**

	(₹ in lakhs)	
	2016-2017	2015-2016
Sales etc. and other income	<u>2697.81</u>	<u>2799.21</u>
<b>Profit before Depreciation, Interest and Tax</b>	<b>507.99</b>	<b>366.50</b>
Less: Depreciation	46.31	39.70
Interest	<u>1.02</u>	<u>8.78</u>
	47.33	48.48
<b>Profit before Tax</b>	<b>460.66</b>	318.02
Provision for Tax		
Current Tax	(147.00)	(94.00)
Deferred Tax	(5.10)	(13.82)
Earlier Years	<u>0.72</u>	-
	(151.38)	(107.82)
Provision for Diminution in value of investment	---	---
<b>Profit after Tax</b>	<b>309.28</b>	210.20
Add: Balance Brought forward from the previous year	428.38	315.47
<b>Profit available for Appropriation</b>	<u><b>737.66</b></u>	<u><b>525.67</b></u>
<b>Appropriation</b>		
Transfer to General Reserve	30.00	25.00
Proposed Dividend	--	60.00
Corporate Dividend Tax thereon	--	12.29
Balance carried forward	707.66	428.38
	<u><b>737.66</b></u>	<u><b>525.67</b></u>

**2. OPERATIONS**

During the year under review, your Company's Revenue from operations has declined by 4 % i.e. from ₹27.99 crores in previous year to ₹26.98 crores. However, the Company has focused on the sales of Products with higher margin, which has resulted in 45% i.e. from ₹ 318.02 lacs in previous year to ₹ 460.66 lacs in current year.

**3. DIVIDEND**

The Board of Directors is pleased to recommend the final dividend of ₹1.70/- per Equity shares of ₹10/- each, (one-time special dividend of ₹0.50/- per equity share for the Silver Jubilee year and ₹1.20/- for the financial year 2016-2017).

## 4. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committee. A separate meeting of the Independent Directors was convened on 10th February 2017, which reviewed the performance of the Board, the Non-Independent Directors and the Chairman.

## 5. RISK MANAGEMENT POLICY

The Board has been vested with specific responsibilities in assessing of risk management policy, process and system. The Board has evaluated the risks which may arise from the external factors such as economic conditions, regulatory framework, competition etc. The Executive management has embedded risk management and critical support functions and the necessary steps are taken to reduce the impact of risks. The Independent Directors expressed their satisfaction that the systems of risk management are defensible.

The Risk management policy is available on the website of the Company.

## 6. DEPOSITS

The Company has not accepted any deposits from the public during the year under review. As on 31st March, 2017, no unclaimed deposits are lying with the Company.

## 7. CONSOLIDATED FINANCIAL STATEMENT

The Audited Consolidated Financial Statement for the financial year ended March 31, 2017, based on the financial statement received from associate company, as approved by their respective Board of Directors have been prepared in accordance with Accounting Standard (AS) - 21 on 'Consolidated Financial Statement' read with AS-23 on 'Accounting for Investments in Associates', notified under the Act, read with the Accounting Standards Rules as applicable is forming part of Annual Report.

## 8. STATUTORY AUDITORS

At the Annual General Meeting held on August 21, 2015 M/s. Manish Patel and Company, Chartered Accountants, Mumbai, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2019-20. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

The Company has received Eligibility certificate letter dated 22nd April 2017 from them to the effect that their ratification, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. Your Directors recommend their appointment as Statutory Auditors of the Company.

## 9. AUDITORS REMARKS AND OBSERVATION

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Further, during the year, in the course of the performance of their duties as auditor, no fraud were reported by them which they have reason to believe that an offence involving fraud has been committed against the Company by officers or employees of the Company.

## 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134 (3) (m) of the Companies Act, 2013 read together with the Rule 8 of the Companies (Accounts) Rules, 2014 the relevant information is given below.

### Conservation of Energy and Technology Absorption

Your Company has installed a wet scrubber on boiler which will reduce the consumption of coal and more importantly protect the environment. This will minimize the carbon particles being released in the atmosphere. A tertiary treatment plant on line to reduce the water pollution load has also been installed.

The electrical instruments have been connected on line which has reduced the power consumption. Our Japanese collaborators have guided us on regular basis and there by conserve energy and reduce our waste water load.

**Foreign Exchange Earnings and Outgo:**

(₹ in Lakhs)

Foreign Exchange Earnings: 1880.34

Foreign Exchange Outgo 579.45

**11. DIRECTORS:**

There were no changes in Board of Directors during the financial year 2016-2017

Mrs. Maithili Siswawala, retires by rotation at this Annual General Meeting and being eligible offers herself for reappointment.

**Declaration by Independent Director(s)**

The Company has received declarations from all Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under section (6) of section 149 of the Companies' Act 2013.

**12. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS U/S 186:**

The Company has not given any loans covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the notes to the financial statements.

**13. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes / events occurring after balance sheet date till the date of the report to be stated.

**14. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEE**

During the financial year under review the Board met 4 times and Audit Committee met 4 times. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**15. SUBSIDIARY / ASSOCIATE COMPANY**

The Company has an Associate company namely M/s Erca Speciality Chemicals Private Limited.

**16. RELATED PARTY TRANSACTIONS:**

During the period under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of the related parties were in conflict with the Company's interest. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interest.

**17. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES**

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. Details of the Vigil Mechanism policy are made available on the Company's website [www.daikaffil.com](http://www.daikaffil.com)

**18. NOMINATION AND REMUNERATION COMMITTEE**

During the financial year under review 1 (one) meeting of the Committee was held. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

**19. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors make the Directors' Responsibility Statement in terms of Section 134(3) (c) of the Companies Act, 2013 and confirm that—

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.
- iii) The Directors have taken proper and sufficient care for 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.

- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 20. PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given pursuant to Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

## 21. 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.

## 22. ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation for the continued support and co-operation by Government Authorities, Financial Institutions, 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 of Director,  
**DAIKAFFIL CHEMICALS INDIA LIMITED**

**AMIT PATEL**  
Managing Director  
(DIN: 00005232)

**ADITYA PATEL**  
Jt. Managing Director  
(DIN: 00005276)

## ANNEXURES TO THE DIRECTORS' REPORT

### 1) EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **"Annexure A"**.

### 2) SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Dinesh Kumar Deora, (Membership No. FCS 5683, COP No. 4119) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report in Form MR – 3 is annexed herewith as **"Annexure B"**.

### 3) CORPORATE GOVERNANCE

The Company has made a Non-Mandatory disclosures in compliance with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and under regulation 34(3) of the SEBI(LODR) Regulations, 2015 which is forming part of annual report. The Corporate Governance are set out as separate **"Annexure C"** together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Part E of Schedule V of aforesaid regulation.

### 4) MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Management Discussion & Analysis Report, as per Part B Schedule V under regulation 34(3) of the SEBI (LODR) Regulations, 2015 which form an integral part of this Report, is annexed herewith as **"Annexure D"**.

### 5) DISCLOSURE ON REMUNERATION OF DIRECTORS/KMP/EMPLOYEES

The information required under Section 197 read with Rule, 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, is annexed herewith as **"Annexure E"**.

### 6) STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF ASSOCIATE COMPANY

The Statement pursuant to Section 129 (3) read with rule 5 of Companies (Accounts) Rules, 2014 of the Companies Act 2013 related to Associate Company in FORM AOC-1 is annexed herewith as **"Annexure F"**.

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L24114MH1992PLC067309
2	Registration Date	19/6/1992
3	Name of the Company	DAIKAFFIL CHEMICALS INDIA LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	E-4, M.I.D.C. Tarapur, Boisar Dist Palgarh Boisar - 401506
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 0-13, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083 Tel No: +91 22 49186000 Fax: +91 22 49186060

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacturing of industrial organic & Inorganic Chemicals	300	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	ERCA SPECIALITY CHEMICALS PRIVATE LIMITED	U24119MH2008FTC184571	ASSOCIATE	25	2(6)

**IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1,290,249	25	1,290,274	21.50%	1,312,774		1,312,774	21.88%	0.38%
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	503,300		503,300	8.39%	503,300		503,300	8.39%	
e) Banks / FI									
f) Any other	143,500		143,500	2.39%	118,500		118,500	1.98%	-0.41%
<b>Sub Total (A) (1)</b>	<b>1,937,049</b>	<b>25</b>	<b>1,937,074</b>	<b>32.28%</b>	<b>1,934,574</b>		<b>1,934,574</b>	<b>32.24%</b>	<b>-0.04%</b>
<b>(2) Foreign</b>									
a) NRI Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Any other									
<b>Sub Total (A) (2)</b>									
<b>TOTAL (A)</b>	<b>1,937,049</b>	<b>25</b>	<b>1,937,074</b>	<b>32.28%</b>	<b>1,934,574</b>		<b>1,934,574</b>	<b>32.24%</b>	<b>-0.04%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds		1,500	1,500	0.03%		1,500	1,500	0.03%	
b) Banks / FI		7,900	7,900	0.13%		7,900	7,900	0.13%	
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>		<b>9,400</b>	<b>9,400</b>	<b>0.16%</b>		<b>9,400</b>	<b>9,400</b>	<b>0.16%</b>	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	423,087	4,100	427,187	7.12%	205,768	4100	209,868	3.50%	-3.62%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,266,876	223,725	1,490,601	24.84%	1,211,345	214,625	1,425,970	23.77%	-1.08%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	926,278	109,600	1,035,878	17.26%	912,425	109,600	1,022,025	17.03%	-0.23%
c) Others (specify)									
HUF					191,542		191,542	3.19%	3.19%
Non Resident Indians	42,461	44,500	86,961	1.45%	135,208	44500	179,708	3.00%	1.55%
Non Resident Indians	1,483		1,483	0.02%	2,792		2,792	0.05%	0.03%
Overseas Corporate Bodies									
Foreign Nationals		749,700	749,700	12.50%		749,700	749,700	12.50%	
Clearing Members	16,716		16,716	0.28%	29,421		29,421	0.49%	0.21%
Trusts									
Foreign Bodies - D R		245,000	245,000	4.08%		245,000	245,000	4.08%	
<b>Sub-total (B)(2):-</b>	<b>2,676,901</b>	<b>1,376,625</b>	<b>4,053,526</b>	<b>67.56%</b>	<b>2,688,501</b>	<b>1,367,525</b>	<b>4,056,026</b>	<b>67.60%</b>	<b>0.04%</b>
<b>Total Public (B)</b>	<b>2,676,901</b>	<b>1,386,025</b>	<b>4,062,926</b>	<b>67.72%</b>	<b>2,688,501</b>	<b>1,376,925</b>	<b>4,065,426</b>	<b>67.76%</b>	<b>0.04%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>4,613,950</b>	<b>1,386,050</b>	<b>6,000,000</b>	<b>100%</b>	<b>4,623,075</b>	<b>1,376,925</b>	<b>6,000,000</b>	<b>100%</b>	

(ii) Shareholding of Promoter

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	PATEL AMIT JAYANT	927,475	15.46	0	927,475	15.46	0	
2	GITA AMIT PATEL	183,300	3.06	0	183,300	3.06	0	
3	PATEL ADITYA AMIT	104,499	1.74	0	104,499	1.74	0	
4	NITIN PRABHUDAS BHAGAT	50,000	0.83	0	50,000	0.83	0	
5	MITA BHAGAT	25,000	0.42	0	25,000	0.42	0	
6	ARUNA VINODCHANDRA MERCHANT	60,000	1.00	0	60,000	1.00	0	
7	PADMANABH VINODCHANDRA MERCHANT	52,450	0.87	0	49,950	0.83	0	-0.04%
8	SISHIR RASIK AMIN	30,800	0.51	0	8,300	0.14	0	-0.37%
9	SURBHI KISHORE TANNA	200	0.00	0	200	0.00	0	
10	KISHORE JAGJIVANDAS TANNA	50	0.00	0	50	0.00	0	
11	CAFFIL PVT LTD	503,300	8.39	0	503,300	8.39	0	

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Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
12	ADITYA A PATEL HUF .		0	0	7,500	0.12	0	0.12%
13	AMIT JAYANT PATEL HUF		0	0	7,500	0.12	0	0.12%
14	DHAWANI MANESH GANJAWALA		0	0	7,500	0.12	0	0.12%

### (iii) Change in Promoters' Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	PATEL AMIT JAYANT	927475	15.4579			927475	15.4579
	AT THE END OF THE YEAR					927475	15.4579
2	CAFFIL PRIVATE LIMITED	503300	8.3883			503300	8.3883
	AT THE END OF THE YEAR					503300	8.3883
3	GITA AMIT PATEL	183300	3.0550			183300	3.0550
	AT THE END OF THE YEAR					183300	3.0550
4	PATEL ADITYA AMIT	104499	1.7417			104499	1.7417
	AT THE END OF THE YEAR					104499	1.7417
5	ARUNA VINODCHANDRA MERCHANT	60000	1.0000			60000	1.0000
	AT THE END OF THE YEAR					60000	1.0000
6	NITIN PRABHUDAS BHAGAT	50000	0.8333			50000	0.8333
	AT THE END OF THE YEAR					50000	0.8333
7	PADMANABH VINODCHANDRA MERCHANT.	52450	0.8742			52450	0.8742
	MARKET SELL			16 Sep 2016	-2500	49950	0.8325
	AT THE END OF THE YEAR					49950	0.8325
8	ADITYA A PATEL HUF .	0	0			0	0
	AT THE END OF THE YEAR					7500	0.1250
9	AMIT JAYANT PATEL HUF	0	0			0	0
	AT THE END OF THE YEAR					7500	0.1250



Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
10	DHAWANI MANESH GANJAWALA	0	0			0	0
	AT THE END OF THE YEAR					7500	0.1250
11	MITA BHAGAT	25000	0.4167			25000	0.4167
	AT THE END OF THE YEAR					25000	0.4167
12	SISHIR RASIK AMIN	30800	0.5150			30800	0.5150
	MARKET SELL			24 Mar 2017	-7500	23300	0.3883
	MARKET SELL			31 Mar 2017	-15000	8300	0.1383
	AT THE END OF THE YEAR					8500	0.1417
13	SURBHI KISHORE TANNA	200	0.0033			200	0.0033
	AT THE END OF THE YEAR					200	0.0033
14	KISHORE JAGJIVANDAS TANNA	50	0.0008			50	0.0008
	AT THE END OF THE YEAR					50	0.0008

- Note: 1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 6000000 Shares.  
2. The details of holding has been clubbed based on PAN.  
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

**(iv) Shareholding Pattern of top ten Shareholders**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	H.G.E. CHEMICAL COMPANY S.A.	749700	12.495			749700	12.495
	AT THE END OF THE YEAR					749700	12.495
2	YOSHIAKI TAGAMI	245000	4.0833			245000	4.0833
	AT THE END OF THE YEAR					245000	4.0833
3	PHARMASYNTH FORMULATIONS LTD.	102178	1.7030			102178	1.7030
	AT THE END OF THE YEAR					102178	1.7030
4	LINCOLN P COELHO	0	0			0	0
	Market Buy			09 Sep 2016	70000	70000	1.1667

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Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Market Buy			23 Sep 2016	20000	90000	1.5000
	Market Buy			30 Sep 2016	10000	100000	1.6667
	AT THE END OF THE YEAR					100000	1.6667
5	VIJAY GUPTA (HUF)	99233	1.6539			99233	1.6539
	AT THE END OF THE YEAR					99233	1.6539
6	JAIN PAL JAIN	129640	2.1607			129640	2.1607
	Market Sell			09 Sep 2016	-40000	89640	1.4940
	Market Sell			16 Sep 2016	-34075	55565	0.9261
	Market Sell			07 Oct 2016	-20000	35565	0.5928
	Market Buy			06 Jan 2017	50000	85565	1.4261
	AT THE END OF THE YEAR					85565	1.4261
7	MAHESHKUMAR RAMDAS KANKAREJ	0	0			0	0
	Market Buy			09 Sep 2016	75000	75000	1.2500
	Market Buy			23 Sep 2016	1000	76000	1.2667
	Market Buy			30 Sep 2016	5014	81014	1.3502
	Market Buy			04 Nov 2016	486	81500	1.3583
	Market Buy			10 Feb 2017	3500	85000	1.4167
	AT THE END OF THE YEAR					85000	1.4167
8	R PATTABIRAMAN	0	0			0	0
	Market Buy			16 Sep 2016	80000	80000	1.3333
	AT THE END OF THE YEAR					80000	1.3333
9	VIJAY PRAKASH GUPTA	64340	1.0723			64340	1.0723
	AT THE END OF THE YEAR					64340	1.0723
10	VIJIT GUPTA	61954	1.0326			61954	1.0326
	AT THE END OF THE YEAR					61954	1.0326
11	HARSHA HITESH JAVERI	59500	0.9917			59500	0.9917
	AT THE END OF THE YEAR					59500	0.9917
12	AAYUSHI GUPTA	43040	0.7173			43040	0.7173
	AT THE END OF THE YEAR					43040	0.7173
13	D NAGESHWAR VENKAT RAO	51126	0.8521			51126	0.8521
	Market Sell			17 Jun 2016	-31126	20000	0.3333
	Market Sell			24 Jun 2016	-6720	13280	0.2213
	Market Sell			30 Jun 2016	-3779	9501	0.1584
	Market Sell			07 Jul 2016	-9501	0	0
	AT THE END OF THE YEAR					0	0

Note: 1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 6000000 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>AMIT PATEL</b>						
	At the beginning of the year			927,475	15.46%	927475	15.46%
	Changes during the year						
	At the end of the year					927475	15.46%
<b>2</b>	<b>ADITYA PATEL</b>						
	At the beginning of the year			104,499	1.74%	104,499	1.74%
	Changes during the year						
	At the end of the year					104499	1.74%

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. ₹/Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration Name	Name of MD/WTD/ Manager		Total Amount (Rupees)
		Amit Patel	Aditya Patel	
	Designation	NA	NA	
1	Gross Salary	902,400.00	704,400.00	1,606,800.00
	(A) Salary As Per Provisions Contained In Section 17(1) Of The Income-Tax Act, 1961	-	-	-
	(B) Value Of Perquisites U/S 17(2) Income-Tax Act, 1961		102,150.00	102,150.00
	(C) Profits In Lieu Of Salary Under Section 17(3) Income- Tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission	900,000.00	625,000.00	1,525,000.00
	- As % Of Profit			-
	- Others, Specify			-
5	Others, Please Specify	-	-	-
	Total (A)	1,802,400.00	1,431,550.00	3,233,950.00
	Ceiling As Per The Act	5% of Profi	5% of Profit	

**B. Remuneration to other Directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rupees)
		SUDHIR PATEL	JAGDISH VASA	SUNIL MERCHANT	
1	<b>Independent Directors</b>				
	Fee For Attending Board Committee Meetings	110,000.00	115,000.00	60,000.00	285,000.00
	Commission				-
	Others, Please Specify				-
	Total (1)	110,000.00	115,000.00	60,000.00	285,000.00
2	<b>Other Non-Executive Directors</b>				-
	Fee For Attending Board Committee Meetings	17,500.00	45,000.00		62,500.00
	Commission				-
	Others, Please Specify				-
	Total (2)	17,500.00	45,000.00	-	62,500.00
	Total (B)=(1+2)	127,500.00	160,000.00	60,000.00	347,500.00
	Total Managerial Remuneration				3,581,450.00
	Overall Ceiling As Per The Act				

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount (Rupees)
	Name	Amita Vishwakarma	
	Designation	Company Secretary	
1	Gross Salary	353,508.00	353,508.00
	(A) Salary As Per Provisions Contained In Section 17(1) Of The Income-Tax Act, 1961	-	-
	(B) Value Of Perquisites U/S 17(2) Income-Tax Act, 1961		-
	(C) Profits In Lieu Of Salary Under Section 17(3) Income- Tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		
	- As % Of Profit		-
	- Others, Specify		-
5	Others, Please Specify		-
	Total	353,508.00	353,508.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

NA

For and on behalf of the Board of Director,  
**DAIKAFFIL CHEMICALS INDIA LIMITED**

**AMIT PATEL**  
Managing Director  
(DIN: 00005232)

**ADITYA PATEL**  
Jt. Managing Director  
(DIN: 00005276)

Date: May 16, 2017  
Place: Mumbai

**SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

To,  
The Members,

**Daikaffil Chemicals India Limited**  
Mumbai

Dear Sirs,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Daikaffil Chemicals India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- 1 The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3 The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- 4 The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings were not applicable to the Company under the financial year under report;
- 5 The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- 6 Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI') were not applicable to the Company under the financial year under report:-
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
  - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999;
  - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The following are the major head / groups of Acts, Laws and Regulations as applicable to the Company.

- i. Factories Act, 1960.
- ii Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis related to Salary & Wages, Bonus, Gratuity, Provident Fund, ESIC, Compensation and Benefits etc.
- iii Labour Welfare Act of the Central and respective states.
- iv Acts prescribed under Direct Tax and Indirect Tax Laws by the Central and respective State Governments.
- v Land Revenue Laws of respective states.
- vi Local laws as applicable to various offices and Premises of the Company.
- vii Environment Protection Act, 1986 and other environmental laws.
- viii Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003.
- ix Industrial Disputes Act, 1947.
- x Indian Stamp Act, 1999
- xi Indian Contract Act, 1872
- xii Negotiable Instruments Act, 1881

I have also examined compliance with the applicable clauses of the following:

- 1 Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, there were no instances of:

- 1 Public / Rights / Preferential issue of shares / debentures / sweat equity etc.
- 2 Redemption / buy-back of securities.
- 3 Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- 4 Merger / amalgamation / reconstruction etc.
- 5 Foreign technical collaborations.

Place: Mumbai  
Date: 02-05-2017

**Dinesh Kumar Deora**  
**Practising Company Secretary**  
FCS NO. 5683  
COP NO. 4119

## ANNEXURE A

To,  
The Members,  
**Daikaffil Chemicals India Limited**  
Mumbai

My report of even date is to be read along with this letter,

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 02-05-2017

**DINESH KUMAR DEORA**  
**PRACTISING COMPANY SECRETARY**  
FCS NO. 5683  
C P NO. 4119



## CORPORATE GOVERNANCE REPORT

Corporate Governance refers to the rules of law, balanced objectives, ethical approach, accountability and transparency, Professionalism in activities, equal concern for all the stakeholders and Implementation of policies and procedures prescribed by the Company.

Company's Policies on the Corporate Governance and due Compliance Report on specific areas wherever applicable for the year ended 31st March, 2017 are hereunder divided into the following areas:-

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company sets the high ethical standards to provide the best corporate governance practices in protecting the stake holders and public interest. With these standards the Company ensures timely compliances with applicable rules and regulation, Consistency in disclosure and transparency, Effective and ethical framework of business decisions and responsive management.

### II. BOARD OF DIRECTORS:

The Board of Directors of the Company consists of eminent persons with considerable expertise and experience in business and industry.

All the Directors except 3 Independent Directors are eligible to retire by rotation.

#### (a) Composition of the Board

The Board of Directors has optimum combination of Executive and Non-Executive director including a women director.

The Chairman of the Board of Directors is a Non-Executive Independent Director and one third of the Board consist Independent Director which is equal to the requirement as stipulated in Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Board consists of seven directors (Excluding Alternate Directors) out of which 3 are the Independent Directors, 2 are the Non-Executives Directors, and 2 are the Executives Promoters Directors. There are two Alternate Directors.

The following are the composition of the Board as on date

Sr No.	Name of Director	Category	Designation
1.	Mr. Sudhir Patel	Non Executive Independent	Chairman
2.	Mr. Amit Patel	Promoter Executive	Managing Director
3.	Mr. Aditya Patel	Promoter Executive	Jt. MD and CFO
4.	Mr. Jagdish Vasa	Non Executive Independent	Independent Director
5.	Dr. Giuseppe Seccomandi	Non Executive	Director
6.	Mr. Hiroshige Tanaka	Non Executive Independent	Independent Director
7.	Mr. Rajiv Gandhi	Non Executive	Alternate to Dr. Giuseppe Seccomandi
8.	Mr. Sunil Merchant	Non-Executive Independent	Alternate to Mr. Hiroshige Tanaka
9.	Mrs. Maithili Siswawala	Non Executive (Woman Director)	Director

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

During the financial year 2016-17, the Board met four times on 13th May 2016, 4th August 2016, 14th November 2016, and 10th February 2017. There was a gap of not more than 120 days between two consecutive meetings.

The Meetings were attended as follows.

	Name of Director	No. of Board Meeting Attended			
		13.5.2016	04.08.2016	14.11.2016	10.02.2017
1.	Mr. Sudhir Patel	✓	✓	✓	✓
2.	Mr. Amit Patel	✓	✓	✓	✓
3.	Mr. Aditya Patel	AB	AB	✓	✓
4.	Mr. Jagdish Vasa	✓	✓	✓	✓
5.	Dr. Giuseppe Seccomandi	AB	*✓	AB	AB
6.	Mr. Hiroshige Tanaka	*✓	*✓	*✓	*✓
7.	Mr. Rajiv Gandhi	AB	✓	AB	AB
8.	Mr. Sunil Merchant	✓	✓	✓	✓
9.	Mrs. Maithili Siswawala	✓	AB	✓	✓

*\*Meetings were attended by their Alternate Directors*

Mr. Amit Patel, Mr. Aditya Patel and Mr. Sunil Merchant attended the last Annual General Meeting held on 2nd September 2016.

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

Sr No.	Name of Director	No. of Other Director-ships held	No. of other Board/ Committee(s) of which He/she is	
			Member	Chairman
1.	Mr. Sudhir Patel	9	3	1
2.	Mr. Amit Patel	1	Nil	Nil
3.	Mr. Aditya Patel	2	Nil	Nil
4.	Mr. Jagdish Vasa	2	Nil	Nil
5.	Dr. Giuseppe Seccomandi	Nil	Nil	Nil
6.	Mr. Hiroshige Tanaka	Nil	Nil	Nil
7.	Mr. Rajiv Gandhi	7	2	3
8.	Mr. Sunil Merchant	4	Nil	Nil
9.	Mrs. Maithili Siswawala	Nil	Nil	Nil

## III. AUDIT COMMITTEE:

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 and scope of audit and also provides timely observation and review of financial statement before their submission and also discuss related issues with the internal and statutory auditors and the management of the Company. The scope of the Audit Committee is in accordance with and as specified in Regulation 18 of SEBI (LODR) and section 177 of Companies Act 2013.

### i. Brief description of terms of reference includes.

- recommend the appointment, remuneration and terms of appointment of auditors
- review and monitor the auditor's performance, and effectiveness of audit process;
- examine financial statement and the auditors' report thereon;

- approve subsequent modification of transactions of the Company with related parties;
- scrutinise inter-corporate loans and investments;
- evaluate undertakings or assets of the Company, wherever it is necessary;
- evaluate internal financial controls and risk management systems;
- monitor the end use of funds raised through public offers and related matters

**ii. Composition of the Audit Committee**

The Audit Committee at present comprises of two Independent Directors forming a majority and one Executive Director. The composition of Audit Committee is as follows:

Sr No.	Name of Director	Category	13.5.2016	04.08.2016	14.11.2016	10.02.2017
1.	Mr. Sudhir Patel	Chairman	✓	✓	✓	✓
2.	Mr. Aditya Patel	Member	AB	AB	✓	✓
3.	Mr. Jagdish Vasa	Member	✓	✓	✓	✓

The Representative of Chairman and Member of the Audit Committee was present at the Annual General Meeting held on 02nd September 2016

**IV. NOMINATION AND REMUNERATION COMMITTEE:**

**(i) Brief description of terms of reference includes.**

The terms and reference includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management and recommend to the Board
- To formulate the criteria for determining qualifications, positive attributes and independence of the Directors and recommend to the Board a policy, relating to the remuneration for the Directors, Key managerial personnel and other employees

**(ii) Composition of the Committee**

The Committee at present comprises of three Independent Directors. The composition of Nomination and Remuneration Committee is as follows:

Sr No.	Name of Director	Category	No. of Board Meeting Attended
			13.05.2016
1.	Mr. Jagdish Vasa	Chairman	✓
2.	Mr. Sudhir Patel	Member	✓
3.	Mr. Hiroshige Tanaka	Member	*✓
4.	Mr. Sunil Merchant	Member	✓

*\*Meeting was attended by his Alternate Director*

**(iii) Remuneration Policy**

The details Nomination and Remuneration policy is placed on the website of the Company

**(iv) Details of Remuneration to all Directors**

The remuneration of Managing/Whole-time Directors as decided on the recommendation of the Nomination and Remuneration and approved by the Board of Directors and shareholders. The remuneration of managing/ Whole-time Directors comprises of salary and perquisites for the financial year 2016-17 are as under:

Name	Salary (₹)	Perquisites (₹)	Commission(₹)	Total (₹)
Mr. Amit Patel	9,02,400	-	9,00,000	18,02,400
Mr. Aditya Patel	7,04,400	1,02,150	6,25,000	14,31,550

The Non-Executive Directors are paid sitting fee ₹15,000/- for attending Board Meeting, ₹12,500/- for attending Audit Committee Meeting and ₹ 2,500/- for Stakeholder Relationship Committee Meeting. The total amount of sitting fees paid during the year was ₹3,47,500/-. The details of sitting fees paid to the Non-Executive Directors during the year are as given below:

Name of the Non-Executive Director	Sitting Fees paid during the period 01.04.2016 to 31.03.2017 (₹)
Mr. Sudhir Patel	1,10,000
Mr. Jagdish Vasa	1,15,000
Mr. Sunil Merchant	60,000
Mr. Rajiv Gandhi	17,500
Mrs. Maithili Siswawala	45,000

**V. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Company has constituted “Investor Grievances Committee” and renamed as “Stakeholders Relationship Committee” consisting of Executive and Non-Executive Directors. The Committee normally meets as and when required.

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. and expedite the process of share transfers, the Board of the Company shall delegate the power of share transfer to an officer or a committee or to the registrar and share transfer agents.

**(i) Non - Executive Director heading the Committee**

Sr No.	Name of Director	Category
1.	Mr. Jagdish Vasa	Chairman
2.	Mr. Aditya Patel	Member
3.	Dr. Giuseppe Seccomandi	Member
4.	Mr. Rajiv Gandhi (Alternate to Dr. Giuseppe Seccomandi)	Member

**(ii) Name and Designation of Compliance Officer**

Ms. Amita Vishwakarma, Company Secretary 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.

The Company Secretary can be contacted at

- ✉ 52, Nariman Bhavan, Nariman Point, Mumbai – 400 021
- ☎ (022-61016612
- ✉ cs.amita@daikaffil.com

**(iii) No. of Shareholders’ Complaints received so far**

The Company has approximately 3530 shareholders. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was as under:

Opening Balance	Received during the year	Resolved during the year	Pending at the Year End
-	07	07	-

**VI. GENERAL BODY MEETINGS:**

- (i) The details of the Annual General Meeting held in last three years are as under: -

AGM	DAY	DATE	TIME	VENUE
22nd	FRIDAY	26.09.2014	11.30 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Thane, Maharashtra-401506
23rd	FRIDAY	21.08.2015	10.00 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Palghar, Maharashtra-401506
24th	FRIDAY	02.09.2016	10.00 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Palghar, Maharashtra-401506

- (ii) No Special Resolution was passed at the last three Annual General Meetings  
 (iii) No Special Resolution was passed last year through postal ballot.  
 (iv) No Special Resolution is proposed to be conducted through postal ballot.

**VII. DISCLOSURES:**

- (i) No penalties 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.  
 (ii) The Company has adopted a Code of Conduct for its Directors and employees. This Code of Conduct has been communicated to each of them.  
 (iii) The Nomination and Remuneration Committee formulated the policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the role of the nomination and remuneration committee as specified as in Part D of the Schedule II under Regulation 19(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.  
 (iv) The Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism in compliance with section 177 read with Rules framed there under, and. Regulation 22 of the SEBI (LODR) Regulations, 2015,  
 (v) Adoption of non-mandatory requirements under regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 is being reviewed by the Board from time to time.  
 (vi) The Company has adopted Policy for Preservation of Documents, as required under Regulation 9 of the SEBI (LODR) Regulations, 2015.  
 (vii) The Company has adopted Risk Management Policy, as required under Regulation 21 of the SEBI (LODR) Regulations, 2015.  
 (viii) Documents placed on the website of the Company:

The following documents have been placed on the website in compliance with the Act:

- (a) Terms and Conditions of Appointment of Independent Directors  
 (b) Composition of Various Committees of Board of Directors  
 (c) Details of unpaid dividend as per Section 124(2);  
 (d) Shareholding Pattern  
 (e) Financial information notice of meeting of the board of directors where financial results shall be discussed, financial results, on conclusion of the meeting of the board of directors where the financial results were approved;  
 (f) complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc;  
 (g) Details of vigil mechanism for the directors and employees to report genuine concerns as per proviso to Section 177(10);

**VIII. MEANS OF COMMUNICATION:**

(i)	<b>Quarterly Results</b>	Communicated to all the Stock Exchanges with whom the Company is listed.
(ii)	<b>Newspapers wherein Results normally published</b>	The Free Press Journal, & Navshakti, Mumbai
(iii)	<b>Any web site, where displayed</b>	Yes : <a href="http://www.daikaffil.com">www.daikaffil.com</a>
(iv)	<b>Whether it also displays official News releases</b>	No

## IX. GENERAL SHAREHOLDER INFORMATION:

(a)	<b>AGM to be held</b>	The 25th Annual General Meeting will be held on Friday 4th Day of August, 2017 at 10.00 A.M. at HOTEL SAROVAR RESIDENCY, NEAR HOTEL SAROVAR, P-180, TARAPUR M.I.D.C AREA, CHITRALAY, BOISAR WEST, DIST.PALGHAR, 401 506 ☎ 02525260297/260298		
(b)	<b>Financial calendar</b>			
	First Quarterly Results:	Before end of 15th August, 2017		
	Second Quarterly Results	Before end of 15th November, 2017		
	Third Quarterly Results	Before end of 15th February, 2018		
	Audited yearly Results for the year ended 31st March 2018	Before end of May, 2018		
(c)	<b>Dividend payment date</b>	On or after 8th August, 2017 to those members whose names stand registered on the Company's Register of Members as on 4th August, 2017.		
(d)	<b>The name and address of stock exchange(s) at which the listed Entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange</b>	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra 400001 Annual listing fees was paid on 25th April 2017		
(e)	<b>Stock code</b>	Physical: 30825 Demat: 530825		
(f)	<b>Market price data- high, low during each month in last financial year</b>			
	<b>Period</b>	<b>BSE</b>		
		<b>High (₹)</b>	<b>Low (₹)</b>	<b>Volume (Nos.)</b>
	Apr-16	36.00	27.65	60107
	May-16	38.75	30.55	157818
	Jun-16	41.00	33.00	224943
	Jul-16	40.00	34.25	141092
	Aug-16	42.55	34.00	340517
	Sep-16	68.75	39.95	1301397
	Oct-16	80.60	63.00	399630
	Nov-16	75.00	53.00	239548
	Dec-16	71.65	58.00	77308
	Jan-17	69.50	60.80	83630
	Feb-17	79.00	58.60	165879
Mar-17	63.90	60.00	87842	

<b>(g)</b>	<b>Registrar and Transfer Agents</b>	Link Intime India Private Limited ☒ C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 ☎ +91 22 49186000, 📠 +91 22 49186060 📧 <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
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**(h) Distribution of Shareholding**

No of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	2822	79.9433	447976	7.4663
501-1000	311	8.8102	267443	4.4574
1001-2000	183	5.1841	287463	4.7911
2001-3000	64	1.8130	163493	2.7249
3001-4000	26	0.7365	94254	1.5709
4001-5000	28	0.7932	135878	2.2646
5001-10000	44	1.2465	305418	5.0903
10001 & above	52	1.4731	4298075	71.6346
<b>Grand Total</b>	<b>3530</b>	<b>100.0000</b>	<b>60000000</b>	<b>100.0000</b>

<b>(i)</b>	Dematerialization of Shares and Liquidity	The Company's equity shares are included in the list of companies whose scrips have been mandated by SEBI for settlement only in dematerialized form by all institutions and all investors. The Company had signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services
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<b>(j)</b>	Plant Locations	The Company has a single plant located at Plot No. E/4, MIDC, Tarapur, Dist. Palghar, Maharashtra
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<b>(k)</b>	Address for correspondence	☒ 52, Nariman Bhavan, Nariman Point, Mumbai – 400 021. ☎ 022-6106600 - 12 📧 <a href="mailto:info@daikaffil.com">info@daikaffil.com</a>
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For and on behalf of the Board of Director,  
**DAIKAFFIL CHEMICALS INDIA LIMITED**

**AMIT PATEL**  
 Managing Director  
 (DIN: 00005232)

**ADITYA PATEL**  
 Jt. Managing Director  
 (DIN: 00005276)

Date: May 16, 2017  
 Place: Mumbai

## 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, 2017 as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and under regulation 34(3) of the Securities and Exchange Board of India ('Listing Obligations and Disclosure Requirements') Regulations, 2015 ('Listing Regulations').

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 Regulations.

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 MANISH PATEL & COMPANY**  
Chartered Accountants  
**Firm Reg. No. 126272W**

**MANISH PATEL**

Proprietor

Membership No.107367

Date: May 16, 2017

Place: Mumbai

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## DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

I, AMIT PATEL, Managing Director of DAIKAFFIL CHEMICALS INDIA LIMITED, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26 (3) of the Listing Regulations for the year ended 31st March, 2017.

For **DAIKAFFIL CHEMICALS INDIA LIMITED**

**AMIT PATEL**

Managing Director

DIN: 00005232

Date: May 16, 2017

Place: Mumbai



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**INDUSTRY STRUCTURE & DEVELOPMENT**

The Chemical Industry is essential for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy. The Chemical Industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the GDP. In terms of volume, Chemical industry in India is the third largest producer in Asia and sixth largest in the world. Indian chemical industry is expected to double its share in global chemical industry to 5-6% by 2021 registering growth of 8-9% in the next decade.

Considering this fact, the Government is taking various initiatives for the growth and development of the sector. 100 per cent FDI is permissible in the Indian chemicals sector while manufacturing of most chemical products is de-licensed. It is expected that new initiatives are likely to attract large investments, both domestic and foreign, with requisite improvements in infrastructure and competition. The government has also been encouraging Research and Development (R&D) in the sector. Moreover, the government is continuously reducing the list of reserved chemical items for production in the small-scale sector, thereby facilitating greater investment in technology up-gradation and modernisation.

**FINANCIAL AND OPERATIONAL PERFORMANCE**

In spite of the overall slowdown in sales, the Company has shown better performance than expected. The following table exhibits, in summary, the financial performance of the Company for the year in relation to previous year.

	<b>F.Y. 2016-17</b>	<b>F.Y. 2015-16</b>
Sales Growth [ % ]	<b>(-)4.85%</b>	(-)2
Domestic Sales Growth [%]	<b>(-)30.19%</b>	(-)17.00%
Export Sales Growth [%]	<b>10.28%</b>	(-)23.00%
PBDIT [% to sales]	<b>19.61%</b>	13.35%
PAT [% to sales]	<b>11.94%</b>	7.50%
Earnings per share [₹]	<b>5.15</b>	3.50

Your company's total sales revenue for the year comprises domestic sales of ₹ 7.10 Crores [P.Y. ₹ 10.39 Crores] and export sales of ₹ 18.80 Crores [ P.Y.₹ 17.05 Crores].

**PRODUCT WISE PERFORMANCE AND ITS OUTLOOK**

In accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules, 2006 and based on characteristics of products, production processes and the class of customers, the Company has classified its range of products into two reportable business segments as under:

**Optical brighteners**

Optical brighteners, or fluorescent whitening agents, are used to make plastics, fibers, coatings, inks, and detergents appear whiter and brighter. These products function by absorbing invisible ultraviolet light and re-emitting it as visible light in the blue range of the spectrum. These products are particularly useful to mask the yellowish cast sometimes observed in plastics and fibers after high temperature processing operations. They are also used in substrates containing pigments or dyes to make colours appear more brilliant. Optical brighteners are also used in the production of uncoated fine paper, particularly in uncoated fine paper grades containing high-yield pulp (HYP). Increasing level of whiteness and the HYP substitution in fine papers have increased the importance of optical brighteners globally in the recent years.

**Naphthol**

Naphthol is an organic compound used to manufacture organic Pigments/Masterbatch. Pigments are used for colouring paint, ink, plastic, fabric, cosmetics, foods and other materials. Most pigments used in manufacturing and the visual arts are dry colorants, usually ground into a fine powder.

The Company is very optimistic about Naphthol grounders because of its Japanese quality. The entire range of Naphthol grounders

are being consumed by MNCs. and its printing Ink manufacturers in Japan. The demand of the product has been rising rapidly in Europe & Japan. Looking at the product portfolio and demand in international market the company foresee a wide scope of the business in near future.

## **IINTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate system of internal controls commensurate with its size and nature of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial statements. These systems enable integrity of financial reporting and adherence to guidelines defined for the Company. Internal controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Corporate policies, management information and reporting system for key operational areas form part of overall control mechanism.

The Internal Audit plan and management actions are presented to the Audit Committee on quarterly basis. The Audit committee reviews adequacy of Internal Control System and the Internal Audit Reports and compliance thereof. The members of audit committee held discussions with the Internal and Statutory Auditors during the meetings of the Committee and all the quarterly and yearly financial statements of the Company were reviewed and recommended by Audit Committee for consideration and approval of the Board of directors.

## **RISKS AND CONCERNS**

The Company foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have a significant impact on revenue and profitability. We evaluate exchange rate exposure arising from these transactions and enter into foreign exchange instruments to mitigate risks arising out of movements in the rupee (INR). The Company have an appropriate internal control for monitoring the Forwards and future contracts. The company has not faced any significant negative impact on profitability on account of currency fluctuation in financial year 2016-2017.

Your Company has also shown its concern towards the environment safety. It is becoming more and more conscious about environmental norms, discharge of effluents and better safety for employees, quality standards and has also shown considerable improvement in the recent past.

## **OPPORTUNITIES AND THREATS**

Your Company range of products are under Japanese technology and therefore we stand a better chance of facing competition from China and Indian manufacturers even though the prices are lower compared to ours. The Consumers are ready to pay the extra price for superior quality. The Company believes that this is right time to expand our capacities in our range of products.

## **HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATION**

Your company emphasises on the safety of people working in its premises, Structures safety meeting were held and safety programmes were organised for them throughout the year.

The total numbers of person employed in your company as on March 31, 2017 were 67

For and on behalf of the Board of Director,  
**DAIKAFFIL CHEMICALS INDIA LIMITED**

Date: May 16, 2017  
Place: Mumbai

**AMIT PATEL**  
Managing Director  
(DIN: 00005232)

**ADITYA PATEL**  
Jt. Managing Director  
(DIN: 00005276)

**DISCLOSURE ON REMUNERATION OF DIRECTORS/KMP/EMPLOYEES**

Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (a) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;

Name of the Director/Key Managerial Personnel	Designation	Directors Remuneration (₹)	Ratio	Increase (%)
<b>Executive Directors</b>				
Amit Patel	Managing Director	9,02,400	2.90:1	Nil
Aditya Patel	Jt. M.D. and C.F. O	8,06,550	2.59:1	Nil
<b>Non-Executive Directors</b>				
Mr. Sudhir Patel	Director	110,000	0.35:1	Nil
Mr. Jagdish Vasa	Director	115,000	0.37:1	Nil
Mr. Sunil Merchant	Director	60,000	0.19:1	Nil
Mr. Rajiv Gandhi	Director	17,500	0.06:1	Nil
Mrs. Maithili Siswawala	Director	45,000	0.14:1	Nil
Ms. Amita Vishwakarma	Company Secretary	3,53,508	1.37:1	12%

- (b) Median remuneration of the Company for all its employees is ₹ 3,10,843 for the financial year 2016-17.
- (c) the number of permanent employees on the rolls of company:67
- (d) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

There was 10 % increase in Remuneration of employees of the Company.

- (e) Affirmation that the remuneration is as per the remuneration policy of the Company.

All remuneration of the Directors and Key Managerial Personnel are decided by Nomination & Remuneration Committee and by the Board of Directors.

For and on behalf of the Board of Director,  
**DAIKAFFIL CHEMICALS INDIA LIMITED**

**AMIT PATEL**  
 Managing Director  
 (DIN: 00005232)

**ADITYA PATEL**  
 Jt. Managing Director  
 (DIN: 00005276)

Date: May 16, 2017  
 Place: Mumbai

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014  
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company

**Part “B”: Associates and Joint Ventures**

<b>A. ERCA SPECIALITY CHEMICALS PRIVATE LIMITED</b>		
<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Latest audited Balance Sheet Date	31-03-2017
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	i. No.	2,64,666
	ii. Amount of Investment in Associates/Joint Venture (in ₹)	26,46,660.00
	iii. Extend of Holding%	25%
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	N.A.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet (in ₹)	6,27,711
6.	Profit/Loss for the year	
	i. Considered in Consolidation (in ₹)	19,769
	ii. Not Considered in Consolidation	N.A.

**Notes: The following information shall be furnished at the end of the statement:**

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

**Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.**

For and on behalf of the Board of Director,  
**DAIKAFFIL CHEMICALS INDIA LIMITED**

**AMIT PATEL**  
Managing Director  
(DIN: 00005232)

**ADITYA PATEL**  
Jt. Managing Director  
(DIN: 00005276)

Date: May 16, 2017  
Place: Mumbai

**5 YEARS' HIGHLIGHTS**

Rs. In Lacs

PARTICULARS	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Sales &amp; other Income</b>	<b>3,244.71</b>	<b>3,628.13</b>	<b>3,703.00</b>	<b>3,006.95</b>	<b>2,887.59</b>
Materials Consumed	1,959.98	2,133.80	2,293.96	1,791.57	1,537.18
Excise Duty	204.22	259.09	272.30	207.74	189.77
Employees Cost	198.94	210.63	218.24	229.62	236.60
Interest & Finance Charges	30.00	30.87	20.88	9.64	2.27
Depreciation	56.18	61.04	41.74	39.70	46.31
Other Expenses	647.57	701.18	640.05	410.66	414.80
<b>Profit/(Loss) / After Tax &amp; Exceptional Item</b>	<b>147.82</b>	<b>231.52</b>	<b>215.83</b>	<b>318.02</b>	<b>460.66</b>
Exceptional Items					
Diminution in value of Investments	-	(2.20)	(0.26)	-	-
Excess Depreciation charged in previous year	0.97				
Provision for Current Tax	(49.33)	(80.00)	(63.07)	(94.00)	(146.28)
MAT Credit Entitlement	(2.58)	-	-	-	-
Provision for Deferred Tax ( Charge) / Credit	0.63	(5.77)	2.67	(13.82)	(5.10)
<b>Profit/ (Loss) After Tax &amp; Exceptional Items</b>	<b>97.51</b>	<b>143.55</b>	<b>155.17</b>	<b>210.20</b>	<b>309.28</b>
Equity Dividend	30.00	48.00	48.00	60.00	102.00
<b>Equity Dividend %</b>	<b>5%</b>	<b>8%</b>	<b>8%</b>	<b>10%</b>	<b>17%</b>
Tax on Equity Dividend	5.10	8.16	9.83	12.28	20.88
<b>Retained Earnings</b>	<b>62.41</b>	<b>87.39</b>	<b>97.34</b>	<b>137.92</b>	<b>186.40</b>
Earning per Share	1.63	2.39	2.59	3.50	5.15

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of**

**Daikaffil Chemicals India Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Daikaffil Chemicals India Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and notes to the financial statements.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation and presentation of these standalone 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 the Accounting Standards Specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records 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, which have been used for the preparation of the standalone financial statements by the directors of the company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the standards on Auditing, issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone 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 financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view 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 Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in paragraph (a) of the other matters below, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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, 2017;
- 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order 2017 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:
- a) we have sought and 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 it 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 section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g) With respect to the other matters included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules 2014 in our opinion and to best of our information and according to the explanation given to us :
    - a. The company has disclosed the impact of pending litigation on its financial position in its standalone financial statement.
    - b. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
    - c. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

For **MANISH PATEL & COMPANY**  
Chartered Accountants  
**Firm Reg. No. 126272W**

**MANISH PATEL**  
Proprietor  
Membership No.107367

Mumbai: 16<sup>th</sup> May, 2017

#### **ANNEXURE A TO THE AUDITORS REPORT**

##### **ADDITIONAL INFORMATION ANNEXED THE INDEPENDENT AUDITORS' REPORT**

1.
  - 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. During the year, the Company has not disposed off any substantial / major part of fixed assets.
  - d. According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immoveable properties are held in the company's name.
2. As per information and explanations given to us, the inventories have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of verification is reasonable. 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.
3. The Company has not granted / taken any loans, secured or unsecured to / from Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of section 185 & 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
5. The Company has not accepted any deposits during the year from the public within the meaning of provisions of the Companies Act, 2013 and rules made there under.
6. As informed to us, the Central Government has not prescribed maintenance of Cost Records under sub section (1) of section 148 of the Act.
7.
  - 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, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities.
  - b. According to the information and explanation 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/excise duty/cess.
8. In our opinion and according to the information and explanation 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.
9. The Company did not raise any moneys by way of initial /further public offer during the year. 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.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 & 188 of the Act and details of such transactions have been disclosed in the financial statements as per applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.

**For MANISH PATEL & COMPANY**  
Chartered Accountants  
**Firm Reg. No. 126272W**

**MANISH PATEL**  
Proprietor  
Membership No.107367

Mumbai: 16th May, 2017

## **ANNEXURE B TO THE AUDITORS REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the companies Act, 2013("the Act")**

We have audited the internal financial controls over financial reporting of Daikaffil Chemicals India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies,



the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparations of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operation effectiveness of internal control based on the assessment risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the presentation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and disposition of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effects on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MANISH PATEL & COMPANY**

Chartered Accountants  
Firm Reg. No. 126272W

**MANISH PATEL**

Proprietor  
Membership No.107367

Mumbai: 16th May, 2017

**BALANCE SHEET AS AT 31ST MARCH, 2017.**

(Rupees)

Particulars	Note	As at 31/03/2017		As at 31/03/2016
<b>A EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	2	<b>60,000,000</b>		60,000,000
(b) Reserves and surplus	3	<b>96,897,614</b>	<b>156,897,614</b>	65,970,001
<b>2 Non-current liabilities</b>				
(a) Deferred tax liabilities (net)	4	<b>5,432,473</b>		4,922,102
(b) Long-term provisions	5	<b>1,083,408</b>	<b>6,515,881</b>	686,286
<b>3 Current liabilities</b>				
(a) Short-term borrowings	6	-		7,068,932
(b) Trade payables	7	<b>14,407,832</b>		34,145,133
(c) Other current liabilities	8	<b>5,575,761</b>		8,698,161
(d) Short-term provisions	9	-	<b>19,983,593</b>	7,228,800
<b>TOTAL</b>			<b>183,397,088</b>	188,719,415
<b>B ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Fixed assets	10			
(i) Tangible assets		<b>57,455,076</b>		53,350,083
(ii) Capital work-in-progress		<b>927,945</b>		411,211
		<b>58,383,021</b>		53,761,294
(b) Non-current investments	11	<b>2,454,950</b>		2,454,950
(c) Long-term loans and advances	12	<b>1,491,794</b>	<b>62,329,765</b>	1,484,679
<b>2 Current assets</b>				
(a) Inventories	13	<b>34,572,658</b>		40,155,109
(b) Trade receivables	14	<b>29,387,257</b>		70,209,521
(c) Cash and cash equivalents	15	<b>45,045,253</b>		11,130,965
(d) Short-term loans and advances	16	<b>7,899,123</b>		5,490,488
(e) Other current assets	17	<b>4,163,032</b>	<b>121,067,323</b>	4,032,409
<b>TOTAL</b>			<b>183,397,088</b>	188,719,415

The Notes form an Integral part of these Financial statements

As per our report attached.  
For **MANISH PATEL & COMPANY**  
Chartered Accountants  
Firm Reg. No. 126272W

**MANISH PATEL**  
Proprietor  
Membership No. 107367  
Mumbai: May 16, 2017

For and on behalf of the Board of Directors  
**SUDHIR PATEL** Managing Director  
(DIN : 00005232)  
**JAGDISH VASA** Director  
(DIN : 00170466)  
**ADITYA PATEL** Chief Financial Officer  
(DIN : 00005276)  
**AMITA VISHWAKARMA** Company Secretary  
(Membership No. 30793)  
Mumbai: May 16, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note	(Rupees)	
		Year ended 31/03/2017	Year ended 31/03/2016
<b>Revenue from operations (gross)</b>	18	<b>283,350,974</b>	295,191,533
Less: Excise duty		<b>18,977,646</b>	20,774,000
Revenue from operations (net)		<b>264,373,328</b>	274,417,533
Other income	19	<b>5,408,085</b>	5,503,747
<b>Total revenue</b>		<b>269,781,413</b>	279,921,280
<b>Expenses</b>			
(a) Cost of materials consumed	20	<b>146,011,012</b>	165,044,792
(b) Purchase of stock-in-trade	21	<b>1,879,743</b>	4,996,880
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	<b>5,826,931</b>	9,114,800
(d) Employee benefit expense	23	<b>23,660,006</b>	22,961,924
(e) Finance costs	24	<b>227,317</b>	963,612
(f) Depreciation and amortisation expense	10	<b>4,630,898</b>	3,970,152
(g) Other expenses	25	<b>41,479,655</b>	41,066,701
<b>Total expenses</b>		<b>223,715,562</b>	248,118,861
<b>Profit before exceptional and extraordinary items and tax</b>		<b>46,065,851</b>	31,802,419
<b>Exceptional items :-</b>			
Provision for Diminution in value of investment	11	-	-
Excess Depreciation charged in previous years		-	-
		-	-
<b>Profit before extraordinary items and tax</b>		<b>46,065,851</b>	31,802,419
Extraordinary items		-	-
<b>Profit before tax</b>	-	<b>46,065,851</b>	31,802,419
<b>Tax Expense :</b>			
Current Tax		<b>(14,700,000)</b>	(9,400,000)
Deferred Tax	5	<b>(510,371)</b>	(1,382,634)
Earlier Years		<b>72,133</b>	-
		<b>(15,138,238)</b>	(10,782,634)
<b>Profit for the year</b>		<b>30,927,613</b>	21,019,785
<b>Earnings per Equity Share</b>			
[Face Value of ₹ 10 per Equity share)			
Basic and Diluted earning per share (₹)]		<b>5.15</b>	3.50

The Notes form an Integral part of these Financial statements

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

**MANISH PATEL**

Proprietor

Membership No. 107367

Mumbai: May 16, 2017

For and on behalf of the Board of Directors

**SUDHIR PATEL**

**CHAIRMAN**

(DIN : 00012036)

**AMIT J. PATEL**

**Managing Director**

(DIN : 00005232)

**ADITYA A. PATEL**

**Chief Financial Officer**

(DIN : 00005276)

**AMITA VISHWAKARMA**

**Company Secretary**

Mumbai: May 16, 2017

(Membership No. 30793)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	(Rupees)	
	2016-2017	2015-2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extraordinary items	46,065,851	31,802,419
<b>ADJUSTMENTS FOR :</b>		
Depreciation	4,630,898	3,970,152
Interest Paid	102,550	877,661
Loss/(Profit) on Sale of Fixed asset	-	(116,225)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES.</b>	<b>50,799,299</b>	<b>36,534,007</b>
<b>ADJUSTMENTS FOR :</b>		
Trade and other Receivables	38,275,891	4,112,214
Taxes	(595,780)	(31,042)
Inventories	5,582,452	4,191,617
Trade payable and others	(22,437,909)	(15,504,843)
Repayment of Short Term Borrowings	(7,068,932)	(11,806,355)
Cash Generated from Operations	<b>64,555,021</b>	<b>17,495,598</b>
Interest paid	(102,550)	(877,661)
Direct Taxes paid	(14,032,088)	(9,368,958)
Cash flow before extraordinary items.	<b>50,420,383</b>	<b>7,248,979</b>
Extraordinary Items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>50,420,383</b>	<b>7,248,979</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including Capital WIP)	(9,252,626)	(4,067,310)
Fixed Deposit Matured	(82,449)	734,139
Purchase of investments	-	(1,497,600)
Sale of Fixed Assets	-	141,905
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(9,335,075)</b>	<b>(4,688,866)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Loan	-	-
Increase in Paid-up Capital	-	-
Dividends paid	(7,228,800)	(5,783,040)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>(7,228,800)</b>	<b>(5,783,040)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(7,228,800)</b>	<b>(5,783,040)</b>
<b>CASH &amp; CASH EQUIVALENTS:</b>		
Opening Balance at Beginning of the year	<b>33,856,509</b>	<b>(3,222,927)</b>
Closing Balance at the End of the year	<b>8,595,987</b>	<b>11,818,914</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>42,452,496</b>	<b>8,595,987</b>
	<b>33,856,509</b>	<b>(3,222,927)</b>

As per our report attached.  
For **MANISH PATEL & COMPANY**  
Chartered Accountants  
Firm Reg. No. 126272W

**MANISH PATEL**  
**Proprietor**  
Membership No. 107367  
Mumbai: May 16, 2017

For and on behalf of the Board of Directors  
**SUDHIR PATEL** **CHAIRMAN**  
(DIN : 00012036)  
**AMIT J. PATEL** **Managing Director**  
(DIN : 00005232)  
**ADITYA A. PATEL** **Chief Financial Officer**  
(DIN : 00005276)  
**AMITA VISHWAKARMA** **Company Secretary**  
(Membership No. 30793)  
Mumbai: May 16, 2017

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**NOTES TO THE FINANCIAL STATEMENTS****CORPORATE PROFILE:**

Daikaffil Chemicals India Ltd is ("Daikaffil" or "The Company" or "Parent Company" engaged in the business of manufacturing and trading in chemicals and Dye-stuff The company has a manufacturing plant at Tarapur, India and sells in Domestic as well as international markets through distribution channels. The company is a public limited company and is listed on the Bombay Stock Exchange (BSE).

**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, 2013 and the accounting principles generally accepted in India and comply with the Accounting Standards notified by the Companies (Accounting standards) Rules, 2014.

**2) Current non-current classification**

All assets and liabilities are classified into current and non-current

**Assets**

An asset is classified as current when it satisfies any of the following criteria :

- a) it is expected to be realized in, or is intended for sale or consumption in the company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) it is expected to be realized within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled 12 months after the reporting date;

Or

- d) the company does not have an unconditional right to defer settlement of liability for atleast 12 months after the reporting date

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

**3) 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.

**4) DEPRECIATION :**

- a) Depreciation on fixed assets is provided on straight line method based on useful life of the assets at the rates and in the manner laid down in Schedule II to the Companies Act, 2013.
- 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.

**5) 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.

**6) 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.

**7) 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.

**8) 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.

**9) 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.

**10) 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.

**11) 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.

**12) 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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

(Rupees)

	<b>As at 31/03/2017</b>	<b>As at 31/03/2016</b>
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**Note 2: Share Capital**

**a) Authorised**

65,00,000 (65,00,000) Equity Shares of ₹10/ – Each.	<b>65,000,000</b>	65,000,000
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**b) Issued, subscribed and Paid up :**

60,00,000 (60,00,000) Equity Shares of ₹10/ – Each.	<b>60,000,000</b>	60,000,000
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	<b>60,000,000</b>	60,000,000
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**c) Reconciliation of number of Equity Shares :**

Particulars	As at 31/03/2017		As at 31/03/2016	
	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 ₹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 31/03/2017		As at 31/03/2016	
	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
1 Amit Patel	927,450	15.46%	927,450	15.46%
2 Caffil Private Ltd.,	503,300	8.39%	503,300	8.39%
3 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 31ST MARCH, 2017**

		As at 31/03/2017	As at 31/03/2016
(Rupees)			
<b>Note 3 : Reserves and Surplus</b>			
<b>Revaluation Reserve</b>			
Balance at the beginning of the year	2,483,400	2,483,400	
Add : During the year	-	-	
	<b>2,483,400</b>	<b>2,483,400</b>	2,483,400
<b>Share Premium</b>			
Balance at the beginning of the year	3,448,620	3,448,620	
Add : During the year	-	-	
	<b>3,448,620</b>	<b>3,448,620</b>	3,448,620
<b>General Reserve</b>			
Balance at the beginning of the year	17,200,000	14,700,000	
Add : Transferred from surplus	3,000,000	2,500,000	
	<b>20,200,000</b>	<b>17,200,000</b>	17,200,000
<b>Surplus in Statement of Profit and Loss</b>			
Balance at the beginning of the year	42,837,981	31,546,996	
Add : During the year	30,927,613	21,019,785	
	<b>73,765,594</b>	<b>52,566,781</b>	
<b>Less : Appropriations</b>			
Transfer to General Reserve	(3,000,000)	(2,500,000)	
Proposed Dividend	-	(6,000,000)	
Corporate Dividend Tax Thereon	-	(1,228,800)	
	<b>70,765,594</b>	<b>42,837,981</b>	
	<b>96,897,614</b>	<b>65,970,001</b>	
	<b>As at 31/03/2017</b>	<b>Charge/ (credit) during the year</b>	<b>As at 31/03/2016</b>
<b>Note 4 : Deferred Tax Liabilities (Net)</b>			
<b>Deferred Tax Liabilities:</b>			
on account of timing difference in depreciation	5,815,002	707,217	5,107,785
Allowance U/s. 43( B) on Payment Basis	-	-	-
<b>Sub-Total</b>	<b>5,815,002</b>	<b>707,217</b>	<b>5,107,785</b>
<b>Deferred Tax Assets:</b>			
on account of Employee Cost / Benefits	232,740	276,333	(43,593)
on account of Allowances / disallowances Under Income Tax Act, 1961	149,789	(79,487)	229,276
<b>Sub-Total</b>	<b>382,529</b>	<b>196,846</b>	<b>185,683</b>
Net Deferred tax liability	<b>5,432,473</b>	<b>510,371</b>	<b>4,922,102</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

	As at 31/03/2017	(Rupees) As at 31/03/2016
<b>Note 5 : Long Term Provisions</b>		
<b>Employees benefits :-</b>		
Provision for Gratuity (Refer note No. 24 Fund lying with LIC- In a separate trust account)	271,991	-
Provision for Leave Encashment	811,417	686,286
	<u>1,083,408</u>	<u>686,286</u>
<b>Note 6 Short – Term Borrowings</b>		
Secured Loan #		
From Bank		
– Cash Credit	-	2,037,667
– Export Packing Credit	-	5,031,265
	<u>-</u>	<u>7,068,932</u>
#	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.	
<b>Note 7 : Trade Payables</b>		
Due to Micro, Small and Medium Enterprises *	1,357,843	70,032
Due to creditors other than Micro, Small and Medium Enterprises	13,049,989	34,075,101
	<u>14,407,832</u>	<u>34,145,133</u>
*	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.	
<b>Note 8 : Other Current Liabilities</b>		
Other Liabilities	568,594	2,200,310
Liability Towards Employees	2,731,831	3,893,699
Statutory Liabilities	686,925	1,006,798
Unpaid Dividend #	1,358,284	1,382,954
Trade Deposit and Advance	230,127	214,400
	<u>5,575,761</u>	<u>8,698,161</u>
#	As at the year end there is no amount due for payment to the Investor Education & Protection Fund under Section 124 ( 5)of the Companies Act, 2013.	
<b>Note 9 : Short Term Provisions</b>		
Provision for Dividend	-	6,000,000
Provision for Corporate Dividend Tax	-	1,228,800
Provision for Income Tax	14,700,000	16,200,000
Less : Advance Tax / TDS	15,638,805	17,734,584
	<u>(938,805)</u>	<u>(1,534,584)</u>
Less Refer Note 17	<u>(938,805)</u>	<u>(1,534,584)</u>
	<u>-</u>	<u>7,228,800</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

**Note 10**

**FIXED ASSETS**

(Rupees)

Name of the Assets	Gross Block				Depreciation			Net Block	
	As at 31/03/2016	Additions	Deductions	As at 31/03/2017	Provided Upto 31/03/2016	Provided this year	Adjustment/ Deduction during the year	As at 31/03/2017	As at 31/03/2016
LAND (LEASEHOLD)	3,900,000	-		<b>3,900,000</b>				3,900,000	3,900,000
FACTORY BUILDING	23,774,422	15,600		<b>23,790,022</b>	11,838,113	794,233	-	12,632,346	11,157,676
FLAT	319,031	-		<b>319,031</b>	105,643	5,200	-	110,843	208,188
PLANT & MACHINERY	101,750,461	4,013,748		<b>105,764,209</b>	67,948,078	2,303,913	-	70,251,991	35,512,217
ELECTRICAL INSTALLATIONS	5,879,895	91,402		<b>5,971,297</b>	5,100,943	395,743	-	5,496,686	474,611
LABORATORY EQUIPMENT	1,591,726	-		<b>1,591,726</b>	957,718	190,564	-	1,148,282	443,444
OFFICE EQUIPMENTS	1,515,344	330,050		<b>1,845,394</b>	1,056,999	140,117	-	1,197,116	648,277
FURNITURE & FIXTURES	1,812,744	33,328		<b>1,846,072</b>	993,037	199,562	-	1,192,599	653,473
COMPUTER	1,326,462	78,604		<b>1,405,066</b>	1,085,880	97,308	-	1,183,188	221,878
VEHICLES	639,463	4,173,160		<b>4,812,623</b>	73,054	504,258	-	577,312	4,235,311
<b>Total</b>	<b>142,509,548</b>	<b>8,735,892</b>		<b>151,245,440</b>	<b>89,159,465</b>	<b>4,630,898</b>		<b>93,790,363</b>	<b>57,455,076</b>
Previous year	139,361,746	3,670,119	522,317	<b>142,509,548</b>	85,685,950	3,970,152	(4,96,637)	89,159,465	
Capital Work-in-Progress									927,945
									58,383,021
									53,761,294

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

(Rupees)

	As at 31/03/2017	As at 31/03/2016
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**Note 11 : Non Current Investments**

Long-term

Unquoted and non trade

Investment in 264666( 264666) Equity shares of face value

₹10/- each of Erca Speciality Chemicals Pvt. Ltd.,

**2,646,600**

2,646,600

Less: Provision for Dimunition in the value of investment

**2,063,950**

2,063,950

**582,650**

582,650

Investment in 13193 (13193) shares of face value ₹100/- each

of Tarapur Environment Protection Society Ltd.

**18,72,300**

18,72,300

**2,454,950**

2,454,950

**Note 12 : Long Term Loans and Advances**

*Unsecured and Considered Good*

A Security Deposits

**677,725**

664,035

B Asset with LIC for Leave Encashment (Refer Note 23)

**814,069**

763,055

C Asset with LIC for Gratuity Fund (Refer Note 23)

-

57,589

**1,491,794**

1,484,679

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

	As at 31/03/2016	(Rupees) As at 31/03/2015
<b>Note 13 : Inventories – As certified by Management</b>		
<b>Valued at Lower of Cost or Net Realizable Value :</b>		
Raw Materials	21,440,358	21,040,677
Work-in – Progress	9,763,993	14,504,683
Finished Goods	2,929,677	3,841,714
Stock-in-Trade	65,833	240,037
<b>Valued at Cost :</b>		
Stores and Spares.	76,075	247,748
Packing Materials	296,722	280,250
	<u>34,572,658</u>	<u>40,155,109</u>
<b>Note 14 :Trade Receivables</b>		
<i>Unsecured and Considered Good</i>		
Outstanding for a period exceeding six months from the date they are due for payment	420,743	420,743
Other Trade Receivables	28,966,514	69,788,778
	<u>29,387,257</u>	<u>70,209,521</u>
<b>Note 15 :Cash and Bank Balances</b>		
<b>A Cash and Cash Equivalents :</b>		
Cash on hand	77,739	149,770
Balances with Banks in current accounts	42,374,757	8,446,217
	<u>42,452,496</u>	<u>8,595,987</u>
<b>B Others bank balances :-</b>		
- 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.	1,234,473	1,152,024
Earmarked balances with bank for Unpaid Dividends	1,358,284	1,382,954
	<u>2,592,757</u>	<u>2,534,978</u>
<b>Total</b>	<u>45,045,253</u>	<u>11,130,965</u>
<b>Note 16 : Short – Term Loans and Advances</b>		
<i>Unsecured and Considered Good</i>		
Prepaid Expenses	416,888	415,424
Cenvat Credit Receivable	2,753,650	2,781,046
Loans to Employees	-	103,000
Balances with Government Authorities	4,214,173	1,798,662
Advances to Suppliers	514,412	392,356
	<u>7,899,123</u>	<u>5,490,488</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

	(Rupees)	
	As at 31/03/2017	As at 31/03/2016
<b>Note 17 : Other Current Assets</b>		
<i>Unsecured and Considered Good</i>		
Interest Accrued on Investments/Deposits	31,159	60,429
<b>For others</b>		
For Advance Tax / TDS	15,638,805	17,734,584
Less : Provision for Income Tax	<u>14,700,000</u>	<u>16,200,000</u>
	938,805	1,534,584
Less Refer note 9	<u>-</u>	<u>-</u>
	938,805	1,534,584
<b>For others</b>		
MVAT Recoverable from Govt.	804,553	1,679,013
DEPB Licence Unutilised	<u>2,388,515</u>	<u>758,383</u>
	<u><u>4,163,032</u></u>	<u><u>4,032,409</u></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

	Year ended 31/03/2017	Year ended 31/03/2016
<b>Note 18: Revenue from Operations</b>		
a) Sale of Products : – (Refer note 18A)		
– Manufactured Finished Goods	275,938,742	287,023,628
– Trading Goods	<u>2,122,076</u>	<u>6,038,680</u>
	278,060,818	293,062,308
b) Other Operating Revenue (Export Incentives)	<u>5,290,156</u>	<u>2,129,225</u>
	283,350,974	295,191,533
Less : Excise duty	<u>18,977,646</u>	<u>20,774,000</u>
Revenue from Operations(Net)	<u><u>264,373,328</u></u>	<u><u>274,417,533</u></u>
<b>18A Details of Products Sold</b>		
(i) Sale of finished Goods		
Organic Intermediates (Net of Excise)	129,702,731	124,371,675
Optical Brighteners (Net of Excise)	127,258,365	141,877,953
Add: Excise Duty	18,977,646	20,774,000
(ii) Sale of Goods – in – Trade (Net of Excise Duty)		
Organic Intermediates	-	1,496,964
Optical Brighteners	<u>2,122,076</u>	<u>4,541,716</u>
	<u><u>278,060,818</u></u>	<u><u>293,062,308</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	Year ended 31/03/2017	Year ended 31/03/2016
(Rupees)		
<b>Note 19 : Other Income</b>		
<b>Interest :</b>		
– On Bank Deposits	1,708,915	685,372
– Others	147,561	262,039
Exchange Gain ( Net)	3,516,313	4,440,111
Miscellaneous Income	35,296	-
Profit on sale of Assets	-	116,225
	<u>5,408,085</u>	<u>5,503,747</u>

**Note 20 : Raw Materials Consumed**

**Raw materials Consumed :**

Opening stock	21,040,677	16,118,315
Add : Purchase	<u>149,109,793</u>	<u>170,035,431</u>
	170,150,470	186,153,746
Less : Raw Material Sales	<u>2,699,100</u>	<u>68,277</u>
	167,451,370	186,085,469
Less : Closing Stock	<u>21,440,358</u>	<u>21,040,677</u>
	<u>146,011,012</u>	<u>165,044,792</u>

**(A) Details of Raw Materials Consumed**

Chemicals		
Organic Intermediates	138,094,654	155,596,653
Inorganic Intermediates	7,916,358	9,448,139
	<u>146,011,012</u>	<u>165,044,792</u>

**(B) Value of imported and Indigenous of Raw Materials consumed**

	2016-17		2015-16	
	Value	% to total Consumption	Value	% to total Consumption
<b>Raw Materials :</b>				
Imported at landed cost	54,503,310	37.33%	63,718,581	38.61%
Indigenously obtained	91,507,702	62.67%	101,326,211	61.39%
	<u>146,011,012</u>	<u>100%</u>	<u>165,044,792</u>	<u>100%</u>

**Note 21 : Purchase of Goods – in – Trade**

	<u>1,879,743</u>	<u>4,996,880</u>
Organic Intermediates (Net of Excise)	-	1,158,194
Optical Brighteners (Net of Excise)	1,879,743	3,838,686
	<u>1,879,743</u>	<u>4,996,880</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

	(Rupees)	
	Year ended 31/03/2017	Year ended 31/03/2016
<b>Note 22 : Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade</b>		
Opening Stock		
Work – in – Progress	14,504,683	17,986,110
Finished Goods	3,841,714	9,156,265
Stock-in-Trade	240,037	558,859
	<u>18,586,434</u>	<u>27,701,234</u>
Less : Closing Stock		
Work – in – Progress	9,763,993	14,504,683
Finished Goods	2,929,677	3,841,714
Stock-in-Trade	65,833	240,037
	<u>12,759,503</u>	<u>18,586,434</u>
	<u>5,826,931</u>	<u>9,114,800</u>
<b>Note 22 A : Details of Work In Progress</b>		
Organic Intermediates	1,957,276	3,538,763
Optical Brighteners	7,806,717	10,965,920
Note : Subject to change stock inventories	<u>9,763,993</u>	<u>14,504,683</u>
<b>Note 23 : Employee Benefit expenses</b>		
Salaries, Wages and Bonus	20,572,364	20,713,660
Contribution to Provident, Gratuity and other Funds *	2,433,536	1,525,377
Staff Welfare Expenses	654,106	722,887
	<u>23,660,006</u>	<u>22,961,924</u>
* As required by Accounting Standard 15 Employees Benefits (AS-15), the disclosures are as under :		
<b>A) Defined Contribution Plans</b>		
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	588,479	497,872
– Employers' Contribution to Employees' State Insurance	47,317	37,161
– Employers' Contribution to Employees' Pension Scheme, 1995	730,026	605,401
	<u>A 1,365,822</u>	<u>1,140,434</u>
<b>B) Defined Benefit Plans</b>		
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	933,143	208,732
– Employers' Contribution to LIC Leave Encashment Scheme	106,791	24,616
– LIC fund management charges	27,780	151,595
	<u>B 1,067,714</u>	<u>384,943</u>
<b>Total (A+B)</b>	<u>2,433,536</u>	<u>1,525,377</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

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

	As at 31/03/2017		As at 31/03/2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>A Changes in the Present Value of Obligation</b>				
Present Value Of Obligation as at Beginning of the Year	4,334,606	686,286	3,844,202	510,668
Interest Cost	346,768	54,902	307,536	40,853
Current Service Cost	250,545	3,240	243,509	1,172
Past service Cost	-	-	-	-
Benefits paid	(617,948)	(43,294)	(57,613)	(28,532)
Actuarial Gains / (Loss)	718,468	110,283	(3,028)	162,125
Present value of Obligation as at the end of the year	<u>5,032,439</u>	<u>811,417</u>	<u>4,334,606</u>	<u>686,286</u>
<b>B Changes in the Fair Value of Plan Assets</b>				
Fair Value of Assets as at Beginning of the Year	4,392,195	763,055	4,110,523	612,053
Expected return	382,638	61,634	339,285	179,534
Actuarial Gains / (Loss)	-	-	-	-
Net Contribution by Employer	603,563	32,674	-	-
Benefits paid	(617,948)	(43,294)	(57,613)	(28,532)
Fair value of Assets as at the end of the year	<u>4,760,448</u>	<u>814,069</u>	<u>4,392,195</u>	<u>763,055</u>
<b>C Amount Recognised in the Balance sheet</b>				
Present value of Obligation as at the end of the year	5,032,439	811,417	4,334,606	686,286
Fair value of Assets as at the end of the year	4,760,448	814,069	4,392,195	763,055
Unfunded Liability / (Net asset) Recognised in Balance Sheet	<u>271,991</u>	<u>(2,652)</u>	<u>(57,589)</u>	<u>(76,769)</u>
<b>D Balance sheet Reconciliation</b>				
Net Liability at the beginning of the year	(57,589)	(76,769)	(266,321)	(101,385)
Expense Recognised during the year	933,143	106,791	208,732	24,616
Contribution during the year	(603,563)	(32,674)	-	-
Net Liability Recognised at the end of the year	<u>271,991</u>	<u>(2,652)</u>	<u>(57,589)</u>	<u>(76,769)</u>
<b>E Amount recognised in Statement of Profit &amp; Loss</b>				
Current Service Cost	250,545	3,240	243,509	1,172
Interest Cost	346,768	54,902	307,536	40,853
Expected Return on Plan Asset	(382,638)	(61,634)	(339,285)	(179,534)
Settlement Cost / (Credit)	-	-	-	-
Past Service cost	-	-	-	-
Net Actuarial (Gain)/ Loss recognised in the period	718,468	110,283	(3,028)	162,125
Total Expenses charged to Statement of Profit & Loss	<u>933,143</u>	<u>106,791</u>	<u>208,732</u>	<u>24,616</u>
<b>F Percentage of each category of Plan assets to Fair Value of plan Assets</b>				
(1) Insurer Managed fund	100%	100%	100%	100%
<b>G Actuarial Assumptions</b>				
Discount Rate	8%	8%	8%	8%
Expected return on Plan	9%	8%	8%	8%
Salary Escalation	4%	4%	4%	4%

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

	Year ended 31/03/2017	(Rupees) Year ended 31/03/2016
<b>Note 24 : Finance Cost</b>		
Bank Interest	102,550	877,661
Processing, documentation and other borrowing cost	124,767	85,951
	<u>227,317</u>	<u>963,612</u>
<b>Note 25 : Other Expenses</b>		
<b>Manufacturing Expenses</b>		
Consumption of stores and spare parts	172,462	194,161
Power and fuel	13,249,810	11,115,282
Water consumption	723,849	513,718
Water treatment	441,436	476,164
Repairs and maintenance - Buildings	57,992	78,821
Repairs and maintenance - Machinery	1,792,604	1,947,138
Electrical Maintenance.	43,484	37,264
Laboratory Expenses	229,407	302,080
Handling Loss	59,987	29,036
<b>TOTAL (A)</b>	<u>16,771,031</u>	<u>14,693,664</u>
<b>Selling, Distribution and Administration expenses</b>		
Rent including lease rentals	850,875	807,625
Repairs and maintenance - Others	78,638	104,979
Consumption of packing materials	5,402,943	6,129,253
Insurance	575,735	556,366
Rates and taxes	362,366	332,000
Communication	578,440	513,924
Travelling and conveyance	1,339,593	1,203,802
Printing and stationery	289,401	286,217
Freight and forwarding	5,985,947	6,336,921
Sales commission	128,574	1,010,254
Discount	-	287,898
Business promotion	216,753	264,903
Legal and professional	2,921,455	2,536,042
Payments to auditors		
- Audit Fees	165,000	165,000
- Tax Audit Fees	60,000	60,000
- Certification Fees/Other Services	64,750	24,000
Bank Commission & Charges	442,997	473,443
Clearing & Forwarding Charges	511,400	594,487
Export Freight	1,084,057	464,013
Electricity charges	81,934	130,520
Vehicle Expenses	424,632	325,158
Membership & Filing Fees	477,903	432,750
Terminal Handling Charges	954,585	869,961
Director Sitting fees	347,500	280,000
Entertainment Expenses	236,415	142,644
Share Transfer Expenses	149,115	116,151
Indirect Taxes on Assessment	151,070	1,062,938
Miscellaneous expenses	826,546	861,789
<b>TOTAL (B)</b>	<u>24,708,624</u>	<u>26,373,037</u>
<b>TOTAL (A + B)</b>	<u>41,479,655</u>	<u>41,066,701</u>



NOTES TO THE FINANCIAL STATEMENTS

**Note 26 : 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

**B. Key Management Personnel**

- Mr. Amit Patel (Managing Director)
- Mr. Aditya Patel (Joint Managing Director)

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

PARTICULARS		(Rupees)	
		AMICHEM	KEY MANAGEMENT PERSONNEL
1	Service charges for use of premises	850,875	-
2	Remuneration to Directors *		1,708,950
3	Director - Sitting Fees		347,500

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

(Rupees)

**Note 27 : Contingent Liabilities**

PARTICULARS	As at	
	31/03/2017	31/03/2016
1 Outstanding Letters of Credit	3,314,808	1,213,588
2 Outstanding Bank Guarantee	1,850,000	1,850,000
	<b>5,164,808</b>	<b>3,063,588</b>

**Note 28 : Commitments**

Estimated amount of contract remaining to be executed on capital Account and not provided for ₹1.25 Cr. (P.Y.₹ 1.50 Cr.)

**Note 29 :**

The records of the ROC shows an open charges on the assets of the company of ₹ 40.00 lakhs of Dena Bank. The said charge has been closed by the Company but the same has get not been cancelled by Dena Bank. The Company has been vigorously following up with the said Bank to complete the cancellation.

**Note 30 : Consolidated financial statement**

The Company has one Associate concern, M/s. Erca Speciality Chemicals Private Ltd., The Accounts of the said Associate have been consolidated with standalone financial and part and parcel of this statement.

**Note 31 : Dues to Micro and Small suppliers**

Particulars	(Rupees)	
	March 31, 2017	March 31, 2016
a) The amounts remaining unpaid at the Balance sheet Date		
– Principal	1,357,843	70,032
– 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	1,357,843	793,914
– Interest	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	(Rupees)	
	March 31, 2017	March 31, 2016
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	<b>25,387</b>	14,500
f) Total Interest due but not paid for the earlier years	<b>87,474</b>	72,974

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 31/03/2017	As at 31/03/2016
(A) Profit attributable to Equity Shareholders (₹)	<b>30,927,613</b>	21,019,785
(B) No. of Equity Share outstanding during the year.	<b>6,000,000</b>	6,000,000
(C) Face Value of each Equity Share (₹)	<b>10</b>	10
(D) Basic & Diluted earning per Share (₹)	<b>5.15</b>	3.50

**Note 36 : Expenditure in Foreign Currency on Account of :-**

– Travelling	<b>515,864</b>	401,280
– Commission	<b>0</b>	38,100
– Membership fees	<b>183,750</b>	0

**Note 37: Earning in Foreign Currency**

FOB Value of Exports	<b>186,800,180</b>	169,915,659
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**Note 38: Remittance in Foreign Currency on Account of Dividend**

(a) Number of Non-Resident Shareholders	<b>2</b>	2
(b) Number of Equity shares held by them	<b>994,700</b>	994,700
(c) (i) Amount of dividend Paid (Gross)	<b>994,700</b>	795,760
Tax deducted at source	<b>--</b>	--
(ii) Year to which dividend relates	<b>2015-16</b>	2014-15

**Note 39 : Value of Import on CIF Basis**

Raw Materials	<b>57,245,253</b>	58,435,803
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As per our report attached.

**For MANISH PATEL & COMPANY**

Chartered Accountants  
Firm Reg. No. 126272W

**MANISH PATEL**

**Proprietor**

Membership No. 107367  
Mumbai: May 16, 2017

**SUDHIR PATEL**

**AMIT J. PATEL**

**ADITYA A. PATEL**

**AMITA VISHWAKARMA**  
Mumbai: May 16, 2017

**CHAIRMAN**

**(DIN : 00012036)**

**Managing Director**

**(DIN : 00005232)**

**Chief Financial Officer**

**(DIN : 00005276)**

**Company Secretary**

**(Membership No. 30793)**

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**INDEPENDENT AUDITORS' REPORT****To the Members of****Daikaffil Chemicals India Limited****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Daikaffil Chemicals India Limited ("the Holding Company") and its associate, (the Holding Company and its associate together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

**Management's Responsibility for the Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsibility for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group and its associate as at 31st March, 2017 and their consolidated Profit and Loss and their consolidated Cash Flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements of the associate, whose financial statements reflect total assets of ₹ 25,17,335/- as at 31st March, 2017, total revenues of ₹1,26,263/- and net cash flows of ₹81,078/- for the year the year then ended on 31st March, 2017 in which the share of the profit of the Group is ₹18,517/-. These financial statements have been audited by other auditor whose reports have been furnished to us and our opinion is based solely on the reports of the other auditor.

**Report on Other Legal and Regulatory Requirements**

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2017, and taken on record by the Board of Directors of the holding Company, and the reports of the statutory auditors of its associate company, none of the directors of the Group company and its associate company incorporated in India is disqualified as on March 31, 2017, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- f) With respect to the other matters included in the auditor's report in accordance with rule 11 of the Companies (Audit & Auditors) Rules 2015, in our opinion and to best of our information and according to the explanation given to us.
  - a. There were no pending litigations which would impact the consolidated financial position of the Holding Company and its associate.
  - d. The Holding Company and based on the comments in the auditor's report of the associate companies incorporated in India, provision has been made as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
  - c. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the Holding Company or its associate.

**For MANISH PATEL & COMPANY**  
Chartered Accountants  
**Firm Reg. No. 126272W**

**MANISH PATEL**

**Proprietor**

Membership No.107367

Mumbai: 16th May, 2017

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

(Rupees)

Particulars	Note	Consolidated Figures As at 31/03/2017		Consolidated Figures As at 31/03/2016	
<b>A EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
(a) Share capital	2	60,000,000		60,000,000	
(b) Reserves and surplus	3	<u>96,941,424</u>	<u>156,941,424</u>	<u>65,995,293</u>	125,995,293
<b>2 Minority Interest</b>			<b>18,79,376</b>		18,23,824
<b>3 Non-current liabilities</b>					
(a) Deferred tax liabilities (net)	4	5,369,197		4,850,621	
(b) Long-term provisions	5	<u>1,083,408</u>	<u>6,452,605</u>	<u>686,286</u>	5,536,907
<b>4 Current liabilities</b>					
(a) Short-term borrowings	6	-		7,068,932	
(b) Trade payables	7	14,407,831		34,159,033	
(c) Other current liabilities	8	5,587,261		8,709,561	
(d) Short-term provisions	9	-	<u>19,995,092</u>	<u>7,228,800</u>	<u>57,166,326</u>
<b>TOTAL</b>			<u><u>185,268,498</u></u>	<u><u>190,522,350</u></u>	
<b>B ASSETS</b>					
<b>1 Non-current assets</b>					
(a) Fixed assets	10				
(i) Tangible assets		57,455,076		53,350,083	
(ii) Capital work-in-progress		<u>927,945</u>		<u>411,211</u>	
		<b>58,383,021</b>		53,761,294	
(b) Non-current investments	11	1,872,300		1,872,300	
(c) Long-term loans and advances	12	<u>1,491,794</u>		<u>1,484,679</u>	
			<b>61,747,115</b>		57,118,273
<b>2 Current assets</b>					
(a) Inventories	13	34,572,658		40,155,109	
(b) Trade receivables	14	29,632,956		70,455,220	
(c) Cash and cash equivalents	15	47,058,497		13,063,131	
(d) Short-term loans and advances	16	7,899,123		5,490,488	
(e) Other current assets	17	<u>4,358,149</u>	<u>123,521,383</u>	<u>4,240,129</u>	<u>133,404,077</u>
<b>TOTAL</b>			<u><u>185,268,498</u></u>	<u><u>190,522,350</u></u>	

The Notes form an Integral part of these Financial statements

As per our report attached.

**For MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

**MANISH PATEL**

**Proprietor**

Membership No. 107367

Mumbai: May 16, 2017

**SUDHIR PATEL**

**AMIT J. PATEL**

**ADITYA A. PATEL**

**AMITA VISHWAKARMA**

Mumbai: May 16, 2017

**CHAIRMAN**

(DIN : 00012036)

**Managing Director**

(DIN : 00005232)

**Chief Financial Officer**

(DIN : 00005276)

**Company Secretary**

(Membership No. 30793)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note	(Rupees)	
		Consolidated Figures As at 31/03/2017	Consolidated Figures As at 31/03/2016
<b>Revenue from operations (gross)</b>	18	<b>283,350,974</b>	295,191,533
Less: Excise duty		<b>18,977,646</b>	20,774,000
Revenue from operations (net)		<b>264,373,328</b>	274,417,533
Other income	19	<b>5,534,348</b>	5,640,352
<b>Total revenue</b>		<b>269,907,676</b>	280,057,885
<b>Expenses</b>			
(a) Cost of materials consumed	20	<b>146,011,012</b>	165,029,924
(b) Purchase of stock-in-trade	21	<b>1,879,743</b>	5,007,205
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade "	22	<b>5,826,931</b>	9,163,812
(d) Employee benefit expense	23	<b>23,660,006</b>	22,961,924
(e) Finance costs	24	<b>227,317</b>	963,612
(f) Depreciation and amortisation expense	10	<b>4,635,907</b>	3,975,161
(g) Other expenses	25	<b>41,498,600</b>	41,093,297
Total expenses		<b>223,739,516</b>	248,194,935
<b>Profit before exceptional and extraordinary items and tax</b>		<b>46,168,160</b>	31,862,950
<b>Exceptional items :-</b>			
Provision for Diminution in value of investment	11	-	-
Excess Depreciation charged in previous years		-	-
<b>Profit before extraordinary items and tax</b>		<b>46,168,160</b>	31,862,950
Extraordinary items		-	-
<b>Profit before tax</b>	-	<b>46,168,160</b>	31,862,950
<b>Tax Expense :</b>			
Current Tax		<b>(14,720,500)</b>	(9,412,000)
Deferred Tax	5	<b>(509,906)</b>	(1,330,120)
Earlier Years		<b>63,928</b>	-
		<b>(15,166,478)</b>	(10,742,120)
		<b>31,001,682</b>	21,120,830
<b>Less : Share of Loss of Associates</b>		-	-
<b>Less : Minority Interest</b>		<b>(55,552)</b>	(75,784)
<b>Profit for the year</b>		<b>30,946,130</b>	21,045,046
<b>Earnings per Equity Share</b>			
[Face Value of ₹ 10 per Equity share)			
Basic and Diluted earning per share (₹)]		<b>5.16</b>	3.51

The Notes form an Integral part of these Consolidated Financial statements

As per our report attached.

**For MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

**MANISH PATEL**

**Proprietor**

Membership No. 107367

Mumbai: May 16, 2017

**SUDHIR PATEL**

**AMIT J. PATEL**

**ADITYA A. PATEL**

**AMITA VISHWAKARMA**

Mumbai: May 16, 2017

**CHAIRMAN**

(DIN : 00012036)

**Managing Director**

(DIN : 00005232)

**Chief Financial Officer**

(DIN : 00005276)

**Company Secretary**

(Membership No. 30793)

**CONSOLIDATED CASH FLOW STATEMENT AS AT 31st MARCH, 2017**

(Rupees)

	Consolidated Figures As at 31/03/2017	Consolidated Figures As at 31/03/2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extraordinary items	46,168,160	31,862,950
<b>ADJUSTMENTS FOR :</b>		
Depreciation	4,635,907	3,975,161
Interest Paid	102,550	877,661
Investment Income	(123,692)	(136,109)
Loss/(Profit) on Sale of Fixed asset	0	(116,225)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES.</b>	<b>50,782,925</b>	<b>36,463,438</b>
<b>ADJUSTMENTS FOR :</b>		
Trade and other Receivables	38,283,486	4,169,503
Taxes	(603,445)	(43,565)
Inventories	5,582,452	4,240,629
Trade payable and others	(22,451,710)	(15,786,928)
Repayment of Short Term Borrowings	(7,068,932)	(11,806,355)
Cash Generated from Operations	<b>64,524,776</b>	<b>17,236,722</b>
Interest paid	(102,550)	(877,661)
Direct Taxes paid	(14,044,458)	(9,368,435)
Cash flow before extraordinary items.	<b>50,377,768</b>	<b>6,990,626</b>
Extraordinary Items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>50,377,768</b>	<b>6,990,626</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including Capital WIP)	(9,252,626)	(4,067,310)
Fixed Deposit Matured	(82,449)	734,139
Purchase of investments	-	(1,497,600)
Investment Income	123,693	136,109
<b>Sale of Fixed Assets</b>	<b>-</b>	<b>141,905</b>
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(9,211,382)</b>	<b>(4,552,757)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Loan	-	-
Increase in Paid-up Capital	-	-
<b>Dividends paid</b>	<b>(7,228,800)</b>	<b>(5,783,040)</b>
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>(7,228,800)</b>	<b>(5,783,040)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(9,211,382)</b>	<b>(4,552,757)</b>
<b>CASH &amp; CASH EQUIVALENTS:</b>	<b>33,937,587</b>	<b>(3,345,171)</b>
Opening Balance at Beginning of the year	10,528,153	13,873,324
Closing Balance at the End of the year	<b>44,465,740</b>	<b>10,528,153</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>33,937,587</b>	<b>(3,345,171)</b>

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

**MANISH PATEL**

Proprietor

Membership No. 107367

Mumbai: May 16, 2017

**SUDHIR PATEL**

**AMIT J. PATEL**

**ADITYA A. PATEL**

**AMITA VISHWAKARMA**

Mumbai: May 16, 2017

**CHAIRMAN**

(DIN : 00012036)

**Managing Director**

(DIN : 00005232)

**Chief Financial Officer**

(DIN : 00005276)

**Company Secretary**

(Membership No. 30793)



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**CORPORATE PROFILE:**

Daikaffil Chemicals India Ltd is ("Daikaffil" or "The Company" or "Parent Company" engaged in the business of manufacturing and trading in chemicals and Dye-stuff The company has a manufacturing plant at Tarapur, India and sells in Domestic as well as international markets through distribution channels. The company is a public limited company and is listed on the Bombay Stock Exchange (BSE).

Erca Specialty Chemical Private Ltd. ("ESCP") (The Associate) is engaged in business of trading of Textile Auxiliaries.

**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, 2013 and the accounting principles generally accepted in India and comply with the Accounting Standards notified by the Companies (Accounting standards) Rules, 2014.

**2) PRINCIPLES OF CONSOLIDATION**

- A) The consolidated financial statements relate to the Company and its Associate entities {collectively referred here in under as the "Group"}. The consolidated financial statements have been prepared on the following basis:
  - a. Investment in Associate company has been accounted under the equity method as per Accounting Standard {AS} 23 "Accounting for Investments in Associates in Consolidation Financial Statement", whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net asset of the Associate company.
  - b. The Excess of cost to the Company of its investment in the Associate controlled entity is recognized in the financial statements as Goodwill, which is tested for impairment on every balance sheet date. The excess of Company's share of equity and reserve of such entities over the cost of accordance with the applicable Accounting Standards.
  - c. The Consolidation financial statement have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- B) The Associates entity considered in the consolidation financial statement is Erca Specialty Chemicals Pvt. Ltd incorporated in India and the parent is holding 25% of voting power as on Mar 31, 2017.

**3) CURRENT NON-CURRENT CLASSIFICATION:**

All assets and liabilities are classified into current and non-current

**Assets**

An asset is classified as current when it satisfies any of the following criteria :

- a) it is expected to be realized in, or is intended for sale or consumption in the company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) it is expected to be realized within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the company's normal operating cycle;
  - b) it is held primarily for the purpose of being traded;
  - c) it is due to be settled 12 months after the reporting date;
- Or
- d) the company does not have an unconditional right to defer settlement of liability for atleast 12 months after the reporting date

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

**4) 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.

**5) DEPRECIATION :**

- a) Depreciation on fixed assets is provided on straight line method based on its useful life of the assets at the rates and in the manner laid down in Schedule II to the Companies Act, 2013.
- 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.

**6) 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.

**7) 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.

**8) 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.

**9) 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.

**10) 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.

**11) 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.

**12) 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.

**13) 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

(Rupees)

	Consolidated Figures As at 31/03/2017	Consolidated Figures As at 31/03/2016
<b>Note 2: Share Capital</b>		
<b>a) Authorised</b>		
65,00,000 (65,00,000) Equity Shares of ₹10/- Each.	65,000,000	65,000,000
<b>b) Issued, subscribed and Paid up :</b>		
60,00,000 (60,00,000) Equity Shares of ₹10/- Each.	60,000,000	60,000,000
<b>c) Reconciliation of number of Equity Shares :</b>		

Particulars	As at 31/03/2017		As at 31/03/2016	
	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 ₹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 31/03/2017		As at 31/03/2017	
	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
1 Amit Patel	927,450	15.46%	927,450	15.46%
2 Caffil Private Ltd.,	503,300	8.39%	503,300	8.39%
3 H.G.E. Chemical Company S.A. (Luxembourg)	749,700	12.50%	749,700	12.50%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

	(Rupees)	
	Consolidated Figures As at 31/03/2017	Consolidated Figures As at 31/03/2016
<b>Note 3 :Reserves and Surplus</b>		
<b>Revaluation Reserve</b>		
Balance at the beginning of the year	2,483,400	2,483,400
Add : During the year	-	-
	<u>2,483,400</u>	2,483,400
<b>Share Premium</b>		
Balance at the beginning of the year	3,448,620	3,448,620
Add : During the year	-	-
	<u>3,448,620</u>	3,448,620
<b>General Reserve</b>		
Balance at the beginning of the year	17,200,000	14,700,000
Add : Transferred from surplus	3,000,000	2,500,000
	<u>20,200,000</u>	17,200,000
<b>Capital Reserve</b>		
Balance at the beginning of the year	30	7,668
Add : Reversal of Diminution of Value of Investments in Associate	(30)	(7,638)
	-	30
<b>Surplus in Statement of Profit and Loss</b>		
Balance at the beginning of the year	42,863,244	31,539,359
Add : During the year	30,946,130	21,045,046
	<u>73,809,374</u>	52,584,405
<b>Less : Appropriations</b>		
Transfer to General Reserve	(3,000,000)	(2,500,000)
Transfer to Capital Reserve	30	7,638
Short Provision of Dividend distribution tax of previous year	-	-
Proposed Dividend	-	(6,000,000)
Corporate Dividend Tax Thereon	-	(1,228,800)
	<u>70,809,404</u>	42,863,244
	<u><u>96,941,424</u></u>	<u><u>65,995,294</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

	Consolidated Figures As at 31/03/2017	Consolidated Figures As at 31/03/2016	(Rupees)
<b>Note 4 : Deferred Tax Liabilities (Net)</b>			
<b>Deferred Tax Liabilities:</b>			
on account of timing difference in depreciation	5,751,726	715,422	5,036,304
Allowance U/s. 43( B) on Payment Basis	-	-	-
	<u>5,751,726</u>	<u>715,422</u>	<u>5,036,304</u>
<b>Deferred Tax Assets:</b>			
on account of Employee Cost / Benefits	232,740	276,333	(43,593)
on account of Allowances / disallowances Under Income Tax Act, 1961	149,789	(79,487)	229,276
	<u>382,529</u>	<u>196,846</u>	<u>185,683</u>
<b>Net Deferred tax liability</b>	<u>5,369,197</u>	<u>518,576</u>	<u>4,850,621</u>

**Note 5 : Long Term Provisions**

**Employees benefits :-**

Provision for Gratuity (Refer note No. 24 Fund lying with LIC- In a separate trust account)	271,991	-
Provision for Leave Encashment	811,417	686,286
	<u>1,083,408</u>	<u>686,286</u>

**Note 6 Short – Term Borrowings**

Secured Loan #		
From Bank		
– Cash Credit	-	2,037,667
– Export Packing Credit	-	5,031,265
	<u>-</u>	<u>7,068,932</u>

# 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 7 : Trade Payables**

Due to Micro, Small and Medium Enterprises *	1,357,843	70,032
Due to creditors other than Micro, Small and Medium Enterprises	13,049,989	34,089,001
	<u>14,407,832</u>	<u>34,159,033</u>

\* 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 TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

(Rupees)

**Consolidated Figures  
As at 31/03/2017**

Consolidated Figures  
As at 31/03/2016

**Note 8 : Other Current Liabilities**

Other Liabilities	<b>580,094</b>	2,211,710
Liability Towards Employees	<b>2,731,831</b>	3,893,699
Statutory Liabilities	<b>686,925</b>	1,006,798
Unpaid Dividend #	<b>1,358,284</b>	1,382,954
Trade Deposit and Advance	<b>230,127</b>	214,400
	<b>5,587,261</b>	8,709,561

# As at the year end there is no amount due for payment to the Investor Education & Protection Fund under Section 124(5) of the Companies Act, 2013.

**Note 9 : Short Term Provisions**

Provision for Dividend	-	6,000,000
Provision for Corporate Dividend Tax	-	1,228,800
Provision for Income Tax	<b>14,720,500</b>	16,212,000
Less : Advance Tax / TDS	<b>15,653,321</b>	17,748,195
	<b>(932,821)</b>	(1,536,195)
Less Refer Note 17	<b>(932,821)</b>	(1,536,195)
	-	-
	-	7,228,800

**Note 10 FIXED ASSETS**

Name of the Assets	Gross Block					Depreciation			Net Block	
	As at 31/03/2016	Additions	Deductions	As at 31/03/2017	Provided Upto 31/03/2016	Provided this year	Adjustment/ Deduction during the year	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
LAND (LEASEHOLD)	3,900,000	-	-	<b>3,900,000</b>	-	-	-	-	3,900,000	3,900,000
FACTORY BUILDING	23,774,422	15,600	-	<b>23,790,022</b>	11,838,113	794,233	-	12,632,346	11,157,676	11,936,309
FLAT	319,031	-	-	<b>319,031</b>	105,643	5,200	-	110,843	208,188	213,388
PLANT & MACHINERY	101,750,461	4,013,748	-	<b>105,764,209</b>	67,948,078	2,303,913	-	70,251,991	35,512,217	33,802,383
ELECTRICAL INSTALLATIONS	5,879,895	91,402	-	<b>5,971,297</b>	5,100,943	395,743	-	5,496,686	474,611	778,952
LABORATORY EQUIPMENT	1,591,726	-	-	<b>1,591,726</b>	957,718	190,564	-	1,148,282	443,444	634,008
OFFICE EQUIPMENTS	1,515,344	330,050	-	<b>1,845,394</b>	1,056,999	140,117	-	1,197,116	648,277	458,345
FURNITURE & FIXTURES	1,812,744	33,328	-	<b>1,846,072</b>	993,037	199,562	-	1,192,599	653,473	819,707
COMPUTER	1,326,462	78,604	-	<b>1,405,066</b>	1,085,880	97,308	-	1,183,188	221,878	240,582
VEHICLES	639,463	4,173,160	-	<b>4,812,623</b>	73,054	504,258	-	577,312	4,235,311	566,409
Total	142,509,548	8,735,892	-	<b>151,245,440</b>	89,159,465	4,630,898	-	93,790,363	57,455,076	53,350,083
Previous year	139,361,746	3,670,119	522,317	<b>142,509,548</b>	85,685,950	3,970,152	(496,637)	89,159,465		
Capital Work-in-Progress									927,945	411,211
									58,383,021	53,761,294

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

	<b>Year ended 31/03/2017</b>	Year ended 31/03/2016
Depreciation	<b>4,630,898</b>	3,970,152
Preliminary Expenses W/o	<b>5,009</b>	5,009
Depreciation and amortisation expense Charged to Profit & Loss for the Year	<b>4,635,907</b>	3,975,161

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017

	Consolidated Figures As at 31/03/2017	(Rupees) Consolidated Figures As at 31/03/2016
<b>Note 11 : Non Current Investments</b>		
Long-term		
Unquoted and non trade		
Investment in 13193 (13193) shares of face value ₹100/- each of Tarapur Environment Protection Society Ltd.	1,872,300	1,872,300
	<u>1,872,300</u>	<u>1,872,300</u>
<b>Note 12 : Long Term Loans and Advances</b>		
<i>Unsecured and Considered Good</i>		
A Security Deposits	677,725	664,035
B Asset with LIC for Leave Encashment (Refer Note 23)	814,069	763,055
C Asset with LIC for Gratuity Fund (Refer Note 23)	-	57,589
	<u>1,491,794</u>	<u>1,484,679</u>
<b>Note 13 : Inventories – As certified by Management</b>		
<b>Valued at Lower of Cost or Net Realizable Value :</b>		
Raw Materials	21,440,358	21,040,677
Work-in – Progress	9,763,993	14,504,683
Finished Goods	2,929,677	3,841,714
Stock-in-Trade	65,833	240,037
<b>Valued at Cost :</b>		
Stores and Spares.	76,075	247,748
Packing Materials	296,722	280,250
	<u>34,572,658</u>	<u>40,155,109</u>
<b>Note 14 :Trade Receivables</b>		
<i>Unsecured and Considered Good</i>		
Outstanding for a period exceeding six months from the date they are due for payment	666,442	666,442
Other Trade Receivables	28,966,514	69,788,778
	<u>29,632,956</u>	<u>70,455,220</u>
<b>Note 15 :Cash and Bank Balances</b>		
<b>A Cash and Cash Equivalents :</b>		
Cash on hand	117,236	189,267
Balances with Banks in current accounts	44,348,504	10,338,886
	<u>44,465,740</u>	<u>10,528,153</u>
<b>B Others bank balances :-</b>		
- 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.	1,234,473	1,152,024
Earmarked balances with bank for Unpaid Dividends	1,358,284	1,382,954
	<u>2,592,757</u>	<u>2,534,978</u>
<b>Total</b>	<u>47,058,497</u>	<u>13,063,131</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2017**

	(Rupees)	
	Consolidated Figures As at 31/03/2017	Consolidated Figures As at 31/03/2016
<b>Note 16 : Short – Term Loans and Advances</b>		
<i>Unsecured and Considered Good</i>		
Prepaid Expenses	416,888	415,424
Cenvat Credit Receivable	2,753,650	2,781,046
Loans to Employees	-	103,000
Balances with Government Authorities	4,214,173	1,798,662
Advances to Suppliers	514,412	392,356
	<u>7,899,123</u>	<u>5,490,488</u>
<b>Note 17 : Other Current Assets</b>		
<i>Unsecured and Considered Good</i>		
Interest Accrued on Investments/Deposits	31,159	60,429
<b>For others</b>		
For Advance Tax / TDS	15,653,321	17,748,195
Less : Provision for Income Tax	<u>14,720,500</u>	<u>16,212,000</u>
	932,821	1,536,195
Less Refer note 9	<u>-</u>	<u>-</u>
	932,821	1,536,195
<b>For others</b>		
MVAT Recoverable from Govt.	1,000,644	1,875,104
DEPB Licence Unutilised	2,388,515	758,383
Misc. Exp to the Extent Not written off	5,010	10,018
	<u>4,358,149</u>	<u>4,240,129</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

	(Rupees)	
	Consolidated Figures Year ended 31/03/2017	Consolidated Figures Year ended 31/03/2016
<b>Note 18: Revenue from Operations</b>		
a) Sale of Products :- (Refer note 18A)		
- Manufactured Finished Goods	275,938,742	287,023,628
- Trading Goods	<u>2,122,076</u>	<u>6,038,680</u>
	278,060,818	293,062,308
b) Other Operating Revenue (Export Incentives)	<u>5,290,156</u>	<u>2,129,225</u>
	283,350,974	295,191,533
Less : Excise duty	18,977,646	20,774,000
Revenue from Operations(Net)	<u>264,373,328</u>	<u>274,417,533</u>

**18A Details of Products Sold**



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

	Consolidated Figures Year ended 31/03/2017	Consolidated Figures Year ended 31/03/2016
(Rupees)		
(i) Sale of finished Goods		
Organic Intermediates (Net of Excise)	129,702,731	124,371,675
Optical Brighteners (Net of Excise)	127,258,365	141,877,953
Add: Excise Duty	18,977,646	20,774,000
(ii) Sale of Goods - in - Trade (Net of Excise Duty)		
Organic Intermediates	-	1,496,964
Optical Brighteners	2,122,076	4,541,716
	<u>278,060,818</u>	<u>293,062,308</u>
<b>Note 19 : Other Income</b>		
<b>Interest :</b>		
- On Bank Deposits	1,832,608	821,481
- Others	150,131	262,535
Exchange Gain ( Net)	3,516,313	4,440,111
Miscellaneous Income	35,296	-
Profit on sale of Assets	-	116,225
	<u>5,534,348</u>	<u>5,640,352</u>
<b>Note 20 : Raw Materials Consumed</b>		
<b>Raw materials Consumed :</b>		
Opening stock	21,040,677	16,118,315
Add : Purchase	149,109,793	170,020,563
	<u>170,150,470</u>	<u>186,138,878</u>
Less : Raw Material Sales	2,699,100	68,277
	<u>167,451,370</u>	<u>186,070,601</u>
Less : Closing Stock	21,440,358	21,040,677
	<u>146,011,012</u>	<u>165,029,924</u>
<b>(A) Details of Raw Materials Consumed</b>		
<b>Chemicals</b>		
Organic Intermediates	138,094,654	155,596,653
Inorganic Intermediates	7,916,358	9,448,139
	<u>146,011,012</u>	<u>165,044,792</u>
<b>(B) Value of imported and Indigenous of Raw Materials consumed</b>		
	<b>2016-17</b>	<b>2015-16</b>
	<b>Value</b>	<b>Value</b>
	<b>% to total Consumption</b>	<b>% to total Consumption</b>
<b>Raw Materials :</b>		
Imported at landed cost	54,503,310	63,718,581
Indigenously obtained	91,507,702	101,311,343
	<u>146,011,012</u>	<u>165,029,924</u>
	<u>37.33%</u>	<u>38.61%</u>
	<u>62.67%</u>	<u>61.39%</u>
	<u>100%</u>	<u>100%</u>
<b>Note 21 : Purchase of Goods – in – Trade</b>	<u>1,879,743</u>	<u>5,007,205</u>
Organic Intermediates (Net of Excise)	-	1,158,194
Optical Brighteners (Net of Excise)	1,879,743	3,849,011
	<u>1,879,743</u>	<u>5,007,205</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

	Consolidated Figures Year ended 31/03/2017		Consolidated Figures Year ended 31/03/2016	
(Rupees)				
<b>Note 22 : Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade</b>				
Opening Stock				
Work- in- Progress	14,504,683		17,986,110	
Finished Goods	3,841,714		9,156,265	
Stock-in-Trade	<u>240,037</u>	<u>18,586,434</u>	<u>607,871</u>	<u>27,750,246</u>
Less : <b>Closing Stock</b>				
Work - in - Progress	9,763,993		14,504,683	
Finished Goods	2,929,677		3,841,714	
Stock-in-Trade	<u>65,833</u>	<u>12,759,503</u>	<u>240,037</u>	<u>18,586,434</u>
		<u><u>5,826,931</u></u>		<u><u>9,163,812</u></u>
<b>Note 22 A : Details of Work In Progress</b>				
Organic Intermediates		1,957,276		3,538,763
Optical Brighteners		<u>7,806,717</u>		<u>10,965,920</u>
Note : Subject to change stock inventories		<u><u>9,763,993</u></u>		<u><u>14,504,683</u></u>
<b>Note 23 : Employee Benefit expenses</b>				
Salaries, Wages and Bonus		20,572,364		20,713,660
Contribution to Provident, Gratuity and other Funds *		2,433,536		1,525,377
Staff Welfare Expenses		<u>654,106</u>		<u>722,887</u>
		<u><u>23,660,006</u></u>		<u><u>22,961,924</u></u>
* As required by Accounting Standard 15 Employees Benefits (AS-15), the disclosures are as under :				
<b>A) Defined Contribution Plans</b>				
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		588,479		497,872
- Employers' Contribution to Employees' State Insurance		47,317		37,161
- Employers' Contribution to Employees' Pension Scheme, 1995		730,026		605,401
	<b>A</b>	<u><u>1,365,822</u></u>		<u><u>1,140,434</u></u>
<b>B) Defined Benefit Plans</b>				
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		933,143		208,732
- Employers' Contribution to LIC Leave Encashment Scheme		106,791		24,616
- LIC fund management charges		<u>27,780</u>		<u>151,595</u>
	<b>B</b>	<u><u>1,067,714</u></u>		<u><u>384,943</u></u>
<b>Total (A+B)</b>		<u><u>2,433,536</u></u>		<u><u>1,525,377</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	Consolidated Figures Year ended 31/03/2017		Consolidated Figures Year ended 31/03/2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>A Changes in the Present Value of Obligation</b>				
Present Value Of Obligation as at Beginning of the Year	4,334,606	686,286	3,844,202	510,668
Interest Cost	346,768	54,902	307,536	40,853
Current Service Cost	250,545	3,240	243,509	1,172
Past service Cost	-	-	-	-
Benefits paid	(617,948)	(43,294)	(57,613)	(28,532)
Actuarial Gains / (Loss)	718,468	110,283	(3,028)	162,125
Present value of Obligation as at the end of the year	<u>5,032,439</u>	<u>811,417</u>	<u>4,334,606</u>	<u>686,286</u>
<b>B Changes in the Fair Value of Plan Assets</b>				
Fair Value of Assets as at Beginning of the Year	4,392,195	763,055	4,110,523	612,053
Expected return	382,638	61,634	339,285	179,534
Actuarial Gains / (Loss)	-	-	-	-
Net Contribution by Employer	603,563	32,674	-	-
Benefits paid	(617,948)	(43,294)	(57,613)	(28,532)
Fair value of Assets as at the end of the year	<u>4,760,448</u>	<u>814,069</u>	<u>4,392,195</u>	<u>763,055</u>
<b>C Amount Recognised in the Balance sheet</b>				
Present value of Obligation as at the end of the year	5,032,439	811,417	4,334,606	686,286
Fair value of Assets as at the end of the year	4,760,448	814,069	4,392,195	763,055
Unfunded Liability / (Net asset) Recognised in Balance Sheet	<u>271,991</u>	<u>(2,652)</u>	<u>(57,589)</u>	<u>(76,769)</u>
<b>D Balance sheet Reconciliation</b>				
Net Liability at the beginning of the year	(57,589)	(76,769)	(266,321)	(101,385)
Expense Recognised during the year	933,143	106,791	208,732	24,616
Contribution during the year	(603,563)	(32,674)	-	-
Net Liability Recongnised at the end of the year	<u>271,991</u>	<u>(2,652)</u>	<u>(57,589)</u>	<u>(76,769)</u>
<b>E Amount recognised in Statement of Profit &amp; Loss</b>				
Current Service Cost	250,545	3,240	243,509	1,172
Interest Cost	346,768	54,902	307,536	40,853
Expected Return on Plan Asset	(382,638)	(61,634)	(339,285)	(179,534)
Settlemnt Cost / (Credit)	-	-	-	-
Past Service cost	-	-	-	-
Net Actuarial (Gain)/ Loss recognised in the period	718,468	110,283	(3,028)	162,125
Total Expenses charged to Statement of Profit & Loss	<u>933,143</u>	<u>106,791</u>	<u>208,732</u>	<u>24,616</u>
<b>F Percentage of each category of Plan assets to Fair Value of plan Assets</b>				
(1) Insurer Managed fund	100%	100%	100%	100%
<b>G Actuarial Assumptions</b>				
Discount Rate	8%	8%	8%	8%
Expected return on Plan	9%	8%	8%	8%
Salary Escalation	4%	4%	4%	4%
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 insurer				

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

	Consolidated Figures Year ended 31/03/2017	Consolidated Figures Year ended 31/03/2016
(Rupees)		
<b>Note 24 : Finance Cost</b>		
Bank Interest	102,550	877,661
Processing, documentation and other borrowing cost	124,767	85,951
	<u>227,317</u>	<u>963,612</u>
<b>Note 25 : Other Expenses</b>		
<b>Manufacturing Expenses</b>		
Consumption of stores and spare parts	172,462	194,161
Power and fuel	13,249,810	11,115,282
Water consumption	723,849	513,718
Water treatment	441,436	476,164
Repairs and maintenance - Buildings	57,992	78,821
Repairs and maintenance - Machinery	1,792,604	1,947,138
Electrical Maintenance.	43,484	37,264
Laboratory Expenses	229,407	302,080
Handling Loss	59,987	29,036
<b>TOTAL (A)</b>	<u>16,771,031</u>	<u>14,693,664</u>
<b>Selling, Distribution and Administration expenses</b>		
Rent including lease rentals	850,875	807,625
Repairs and maintenance - Others	78,638	104,979
Consumption of packing materials	5,402,943	6,129,253
Insurance	575,735	556,366
Rates and taxes	362,366	332,000
Communication	578,440	513,924
Travelling and conveyance	1,339,593	1,203,802
Printing and stationery	289,401	286,217
Freight and forwarding	5,985,947	6,338,001
Sales commission	128,574	1,010,254
Discount	-	287,898
Business promotion	216,753	264,903
Legal and professional	2,922,955	2,543,882
Payments to auditors		
- Audit Fees	176,600	176,564
- Tax Audit Fees	60,000	60,000
- Certification Fees/Other Services	<u>64,750</u>	<u>24,000</u>
Bank Commission & Charges	443,342	473,443
Clearing & Forwarding Charges	511,400	594,487
Export Freight	1,084,057	464,013
Electricity charges	81,934	130,520

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

	(Rupees)	
	Consolidated Figures Year ended 31/03/2017	Consolidated Figures Year ended 31/03/2016
Vehicle Expenses	424,632	325,158
Membership & Filing Fees	477,903	432,750
Terminal Handling Charges	954,585	869,961
Director Sitting fees	347,500	280,000
Entertainment Expenses	236,415	142,644
Share Transfer Expenses	149,115	116,151
Indirect Taxes on Assessment	151,070	1,062,938
Miscellaneous expenes	832,046	867,901
<b>TOTAL (B)</b>	<b>24,727,569</b>	<b>26,399,633</b>
<b>TOTAL (A + B)</b>	<b>41,498,600</b>	<b>41,093,297</b>

**Note 26 : 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

**B. Key Management Personnel**

- Mr. Amit Patel (Managing Director)
- Mr. Aditya Patel (Joint Managing Director)

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

	PARTICULARS	AMICHEM	KEY MANAGEMENT PERSONNEL
1	Service charges for use of premises	850,875	-
2	Remuneration to Directors *		1,708,950
3	Director - Sitting Fees		347,500

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

**Note 27 : Contingent Liabilities**

	PARTICULARS	As at 31/03/2017	As at 31/03/2016
1	Outstanding Letters of Credit	3,314,808	1,213,588
2	Outstanding Bank Guarantee	1,850,000	1,850,000
		<b>5,164,808</b>	3,063,588

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 28 :** 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 29 :** Sundry Debtors and Loans and Advances are subject to confirmation.

**Note 30 :** Segment Information has not been given as the Company does not have any segment.

**Note 31 : Earnings per Share**

Particulars	(Rupees)	
	As at 31/03/2017	As at 31/03/2016
(A) Profit attributable to Equity Shareholders (₹)	30,946,130	21,045,046
(B) No. of Equity Share outstanding during the year.	60,000,000	60,000,000
(C) Face Value of each Equity Share (₹)	10	10
(D) Basic & Diluted earning per Share (₹)	5.16	3.51

**Note 32 : Additional Information to Consolidated Financial Statements**

Particulars	As at 31/03/2017		For the year ended 31/03/2017	
	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount
<b>PARENT</b>				
Daikaffil Chemicals India Ltd	98%	156,897,614	100%	30,927,613
<b>ASSOCIATE</b>				
Erca Speciality Chemicals Pvt Ltd	2%	2,505,835	0%	74,069
<b>Sub-Total</b>		<b>159,403,449</b>		<b>128,401,766</b>
Less : Inter Company Adjustments/ Elimination		<b>2,462,025</b>		<b>55,552</b>
<b>Total</b>		<b>156,941,424</b>		<b>125,995,293</b>

As per our report attached.

**For MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

**MANISH PATEL**

**Proprietor**

Membership No. 107367

Mumbai: May 16, 2017

**For and on behalf of the Board of Directors**

**SUDHIR PATEL**

**AMIT J. PATEL**

**ADITYA A. PATEL**

**AMITA VISHWAKARMA**

Mumbai: May 16, 2017

**CHAIRMAN**

(DIN : 00012036)

**Managing Director**

(DIN : 00005232)

**Chief Financial Officer**

(DIN : 00005276)

**Company Secretary**

(Membership No. 30793)

**FORM No. MGT – 11**

**Proxy Form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s)	
Registered address	
Email id	
Folio No./ Client Id	
DP ID	

I/ We, being the member(s) of ..... of the above named Company, hereby appoint

1.	Name	
	Address	
	Email Id	
	Signature	
or Falling him		
2.	Name	
	Address	
	Email Id	
	Signature	
or Falling him		
3.	Name	
	Address	
	Email Id	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on - Hotel Sarovar Residency, Near Hotel Sarovar, P-180, Tarapur M.I.D.C Area, Chitralay, Boisar West, Dist.Palghar, 401 506 at 10.00 A.M. thereof in respect of such resolutions, as are indicated below:

	<b>Resolution</b>	<b>For</b>	<b>Against</b>
1.	Consideration of Financial Statements and the reports		
2.	Declaration dividend on Equity Shares		
3.	Re-appoint Mrs. Maithili Siswawala, liable to retire by rotation		
4.	Ratification of Appointment of Auditors and fix their remuneration		

Signed this .....Day of ..... 2017

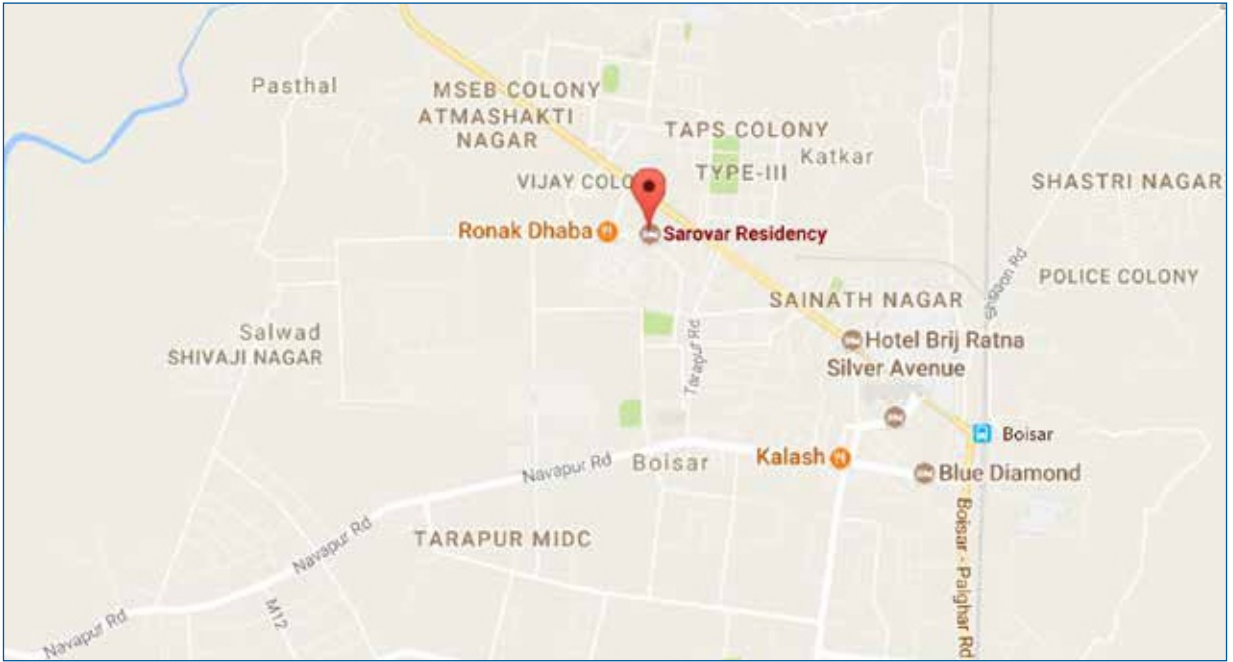
\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix ₹ 1/- Revenue Stamp
------------------------------------

**Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**ROUTE MAP FOR VENUE OF AGM**



if undelivered please return to:  
LINK INTIME INDIA PVT. LTD.  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083