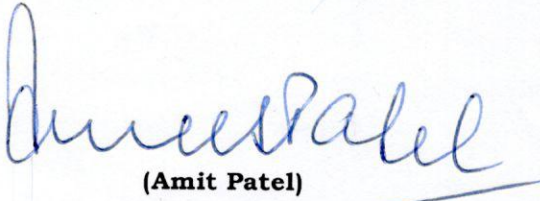
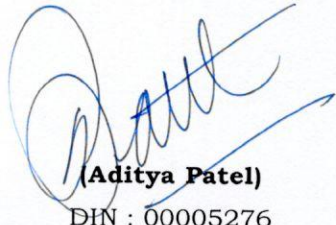
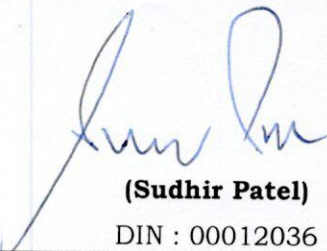



FORM A

Name of the Company	DAIKAFFIL CHEMICALS INDIA LIMITED
Annual Financial Statements for the year ended	31 st March, 2015
Type of Audit Observation	Un-qualified
Frequency of Observation	N.A.
To be signed by:	
Managing Director	 (Amit Patel) DIN : 00005232
Chief Financial Officer	 (Aditya Patel) DIN : 00005276
Audit Committee Chairman	 (Sudhir Patel) DIN : 00012036
Auditors of the Company	 (Manish Patel) For Manish Patel & Company Chartered Accountants Firm Reg. No. 126272W



DAIKAFFIL
CHEMICALS INDIA LIMITED

23rd ANNUAL REPORT
2014-2015

CIN : L24114MH1992PLC067309

DAIKAFFIL

BOARD OF DIRECTORS :

Sudhir Patel	- Chairman
Amit Patel	- Managing Director
Aditya Patel	- Jt. Managing Director & C.F.O.
Jagdish Vasa	
Giuseppe Seccomandi	
Hiroshige Tanaka	
Rajiv Gandhi	- Alternate to Giuseppe Seccomandi
Sunil Merchant	- Alternate to Hiroshige Tanaka
Maithili Siswawala	
Amita Vishwakarma	- Company Secretary

BANKERS Karnataka Bank Limited

AUDITORS Manish Patel and Company - Statutory Auditors

**REGISTRARS AND SHARE
TRANSFER AGENTS** Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West),
Mumbai - 400 078

CORPORATE OFFICE 52, Nariman Bhavan, Nariman Point, Mumbai-400021

REGISTERED OFFICE AND PLANT Plot No. E-4, M.I.D.C. Tarapur, Boisar, Dist. Palghar – 401 506.
Maharashtra

ANNUAL GENERAL MEETING

Date: August 21, 2015
Time: 10.00 A.M.
Venue: E-4, M.I.D.C. Tarapur, Boisar, District Palghar – 401 506
Maharashtra

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

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of **DAIKAFFIL CHEMICALS INDIA LIMITED** will be held on **Friday, the 21st Day of August, 2015 at 10.00 A.M.** at E-4, M.I.D.C. Tarapur, Boisar, District Palghar-401506 Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To consider the Audited Financial Statements for the financial year ended 31st March 2015 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March 2015.
3. To appoint a Director in place of Dr. Giuseppe Secomandi, and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of sections 139(2), 141 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any amendment, modification, variation or re-enactment thereof, M/s. Manish Patel and Company, Chartered Accountants, Mumbai, (Registration No. 126272W), be and are hereby re-appointed as Auditors of the Company for a period of 5 (five) years and to hold office from the conclusion of this meeting until the conclusion of the 28th Annual General Meeting of the financial year 2019-20, subject to ratification by the members of the Company at every Annual General Meeting for the purpose of audit of the accounts of the Company, at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 (6), 160 and other applicable provisions (including any modification or reenactment thereof), if any, of the Companies Act, 2013, Mrs. Maithili Siswawala, (DIN: 07107622) Additional Director, who ceases to hold office at this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing along with prescribed deposit amount, proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement of Directors by rotation."

6. To consider and pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do approve the appointment of Mr. Amit Patel (DIN:00005232) as a Managing Director of the Company for a period of three years with effect from 1st January, 2015, on the terms and conditions including Remuneration as set out in the abstract of Agreement.

"RESOLVED FURTHER THAT subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, in the event of inadequacy or absence of profits, Mr. Amit Patel, be paid the remuneration as set out in the Draft Agreement to be entered into between the Company and Mr. Amit Patel, as the Minimum Remuneration within the limits specified in Schedule V of the Companies' Act, 2013.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between

DAIKAFFIL

the Board and Mr. Amit Patel, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this Resolution."

7. To consider and to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 197 read with Schedule V to the Companies Act, 2013, the Company do approve the revision in the remuneration of Mr. Aditya Patel, Jt. Managing Director and Chief Financial Officer (DIN : 00005276) with effect from 1st January 2015 at Salary of ₹51,000/- (Rupees Fifty one thousand only) per month.

"RESOLVED FURTHER THAT subject to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, in the event of inadequacy or absence of profits, the above mentioned amount shall be paid as Minimum Remuneration within the limits specified in Schedule V of the Companies' Act, 2013".

By Order of the Board

For DAIKAFFIL CHEMICALS INDIA LIMITED

AMIT J. PATEL

(MANAGING DIRECTOR)

(DIN: 00005232)

Registered Office:

E-4, M.I.D.C. Tarapur,
Boisar, District Palghar
Maharashtra-401506

Date: May 29, 2015

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 EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS UNDER ITEM NO 5 TO 7 AS STATED ABOVE IN ANNEXED HERETO.**
3. The Register of Members and the Shares Transfer Books of the Company will be closed from Tuesday, the 18th day of August, 2015 to Friday, the 21st Day of August, 2015 (both days inclusive).
4. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 26th August, 2015 to those Members whose names stand registered on the Company's Register of Members:
 - (i) As Beneficial Owners as at the end of the business hours on the 17th August, 2015 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, the 17th August, 2015
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. Pursuant to provisions of Section 124(5) of the Companies Act, 2013, dividend for the financial year ended March 31, 2006 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:

DAIKAFFIL

Financial Year	Rates of Dividend	Date of Declaration	Tentative Dates for Transfer to IEPF
2007-2008	5%	30-09-2008	06-11-2015
2008-2009	7%	30-09-2009	06-11-2016
2009-2010	8%	28-07-2010	03-09-2017
2010-2011	8%	30-09-2011	06-11-2018
2011-2012	5%	28-09-2012	03-09-2019
2012-2013	5%	27-09-2013	03-10-2020
2013-2014	8%	26-09-2014	03-10-2021

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

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

11. The Annual Report of the Company for the year 2014-2015 is also uploaded on the Company's website (www.daikaffil.com) and the website of CDSL (evotingindia.com)
12. 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.
13. Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.
14. 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.
15. 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:	18th August 2015 (10.00 A.M onwards)
b)	End of E-voting:	20th August 2015 (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 E-voting module shall be disabled by CDSL for voting thereafter.

The cutoff date for the limited purpose of E-voting is **14th August, 2015**

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 id's with the Company along with physical copy of the notice.

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

DAIKAFFIL

For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- **Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.**

DOB 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.

Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

Details • 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(viii) Members holding shares in physical form will then directly reach 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.

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

(x) Click on the EVSN for "Daikaffil Chemicals India Limited" on which you choose to vote.

(xi) 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.

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

(xiii) 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.

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

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

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

(xvii) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) 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, 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 J. PATEL
(MANAGING DIRECTOR)
(DIN: 00005232)

Date: May 29, 2015
Place: Mumbai

DAIKAFFIL

EXPLANATORY STATEMENT IN RESPECT OF ITEMS NOS. 5 TO 7 OF THE NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 5

The Board of Directors vide circular resolution No. 1/2014-2015 dated on 17th March, 2015 pursuant to provisions of Section 161 of the Act, appointed Mrs. Maithili Siswawala, (DIN: 07107622) as an Additional Director with effect from 17th March, 2015 and accordingly Mrs. Maithili Siswawala holds office till the date of the Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director at the this Annual General Meeting of the Company.

Now, the Board of Directors proposed to appoint her as Non Executive Director under Section 149 of Companies Act, 2013 and Clause 49 of Listing Agreement. Mrs. Maithili Siswawala is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

Detailed information about Mrs. Maithili Siswawala, is provided in the Annexure to this notice.

Accordingly, the Board of Directors recommend passing of the Ordinary Resolutions as set out in this Notice.

Except Mrs. Maithili Siswawala None of the Directors, or any of the Key Managerial Personnel including their relatives are concerned or interested in this resolution.

ITEM NO. 6

Mr. Amit Patel, who has resigned as an Executive Chairman and express his willingness to be appointed as a Director of the Company, Considering the growth and progress of the Company during his tenure the Nomination and Remuneration Committee and the Board of Directors at their Meeting held on 2nd January 2015 decided to appoint him as Managing Director of the Company w.e.f. 1st January 2015 for a period of 3 (Three) Years, subject to the approval of the Shareholders at this Annual General Meeting.

The Managing Director shall not be paid any fees for attending the meeting of the Board of Directors or any Committee thereof.

Detailed information about Mr. Amit Patel, (DIN: 00005232) is provided in the Annexure to this notice.

The following are the abstract of the Agreement, proposed to be entered into between the Company and Mr. Amit Patel under the provisions of Section 190 of the Companies Act, 2013;

A. REMUNERATION:

- (i) Basic Salary of ₹51000/- (Rupees Fifty One thousand Only) per month subject to such increments as the Board/Committee of Directors may decide from time to time.
- (ii) Bonus as per rules & regulations of the Company and at the discretion of the Board of Directors.

B. PERQUISITES & ALLOWANCES:

The Managing Director shall be entitled to the following perquisites and benefits:

- i Accommodation (furnished/unfurnished) or House Rent Allowance in lieu thereof;
- ii. Maintenance and upkeep, all monthly outgoings, cost of repairs, furnishings, payment of actual expenses for gas, electricity, water;
- iii. Reimbursement of actual expenditure on medical treatment for self and dependent family members;
- iv. Leave travel for self and dependent family members;
- v. Subscription to Club fees and other expenses incurred at the club;
- vi. Medical/accident insurance;
- vii. Car with Driver maintained and fuelled by the Company for the use of Mr. Amit Patel and his family;
- viii. Other perquisites subject to overall ceiling of remuneration stipulated in Section 197 of the Companies Act, 2013. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

C. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where, in any financial year during the currency of the tenure of Mr. Amit Patel, the Company has no profits or its profits are inadequate, the Company will pay to Mr. Amit Patel, remuneration by way of Salary, Benefits, Perquisites and Allowances as specified above. The minimum remuneration shall be within the limit as specified in schedule V of the Companies Act, 2013.

D. RETIREMENT BY ROTATION:

Mr. Amit Patel shall be subject to retirement by rotation.

E. SITTING FEES

Managing Director shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof. Except him and Mr. Aditya Patel, None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

ITEM NO. 7

Mr. Aditya Patel, (DIN 00005276) who was appointed as a Joint Managing Director for the period of five years by the Board of Director at their meeting held on 30th May 2013, and whose appointment had been placed and approved in the 21st Annual General Meeting held on 27th September 2013 on a salary of ₹25000 per Month. He was further appointed as a Chief financial Officer as required pursuant to section 203 of the Companies Act w.e.f. 1st June 2014. After considering his total commitments as a Joint MD and CFO and devotion to the Company for Managing Corporate Affairs and particularly looking both in technical side of production and handling finance related matter. The Board of Directors on recommendation of Nomination and Remuneration Committee at their meeting held on 13th February 2015 decide to increase his remuneration from ₹25000/- to ₹51,000/- (Rupees Fifty one thousand only) per month plus other allowances as per rules of the Company with retrospective effect from 1st January 2015 subject to the approval of the Shareholders in the ensuing Annual General Meeting.

The following are the abstracts of the Agreement, proposed to be entered into between the Company and Mr. Aditya Patel under the provisions of Section 190 of the Companies Act, 2013;

A. REMUNERATION:

- (i) Basic Salary of ₹51000/- (Rupees Fifty One thousand Only) per month subject to such increments as the Board/Committee of Directors may decide from time to time.
- (ii) Bonus as per rules & regulations of the Company and at the discretion of the Board of Directors.

B. PERQUISITES & ALLOWANCES:

The Managing Director shall be entitled to the following perquisites and benefits:

- i. Accommodation (furnished/unfurnished) or House Rent Allowance in lieu thereof;
- ii. Maintenance and upkeep, all monthly outgoings, cost of repairs, furnishings, payment of actual expenses for gas, electricity, water;
- iii. Reimbursement of actual expenditure on medical treatment for self and dependent family members;
- iv. Leave travel for self and dependent family members;
- v. Subscription to Club fees and other expenses incurred at the club;
- vi. Medical/accident insurance;
- vii. Car with Driver maintained and fuelled by the Company for the use of Mr. Aditya Patel and his family;
- viii. Other perquisites subject to overall ceiling of remuneration stipulated in Section 197 of the Companies Act, 2013. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

C. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where, in any financial year during the currency of the tenure of Mr. Aditya Patel, the Company has no profits or its profits are inadequate, the Company will pay to Mr. Aditya Patel, remuneration by way of Salary, Benefits, Perquisites and Allowances as specified above. The minimum remuneration shall be within the limit as specified in schedule V of the Companies Act, 2013.

D. RETIREMENT BY ROTATION:

Mr. Aditya Patel shall be subject to retirement by rotation.

E. SITTING FEES

Joint Managing Director shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof. Except him and Mr. Amit Patel, Managing Director, None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

By Order of the Board of Directors
For **DAIKAFFIL CHEMICALS INDIA LIMITED**
AMIT J. PATEL
(MANAGING DIRECTOR)
(DIN: 00005232)

Date: May 29, 2015
Place: Mumbai

DAIKAFFIL

The particulars of Directors, who are proposed to be appointed / re-appointed at this Annual General Meeting, are given below, as required pursuant to Clause 49 (VIII) (E) of the Listing Agreement:

Name of Director	Mr. Amit Patel	Mr. Aditya Patel	Mrs. Maithili Siswawala	Dr. Giuseppe Seccomandi
DIN	00005232	00005276	07107622	02213496
Designation	Managing Director	Jt. MD and CFO	Additional Director	Director
a) A brief resume of the Director:				
Date of Birth	14-10-1953	10-06-1979	29-12-1968	08-06-1968
Date of Appointment	19-06-1992	14-08-2012	17-03-2015	31-05-2008
b) Nature of his expertise in specific functional areas;				
	Industrialist having business experience in Chemical Industry	Businessman having Experience in Chemical Industry	Freelance Consulting in Advertising	Industrialist having business experience in Chemical Industry in Italy
c) Names of other companies in which he holds :				
(i) Directorship of Board	Caffil Private Limited	Caffil Private Limited Erca Speciality Chemicals Private Limited	Nil	Nil
(ii) Membership of the Committees of Board	Nil	Nil	Nil	Nil
d) No. of shares held in the Share Capital of the Company	927,450	104,599	Nil	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 23rd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31st, 2015.

1. FINANCIAL RESULT

	2014-2015 (Rupees)	2013-2014 (Rupees)
Sales etc. and other income	34,30,70,013	33,69,04,333
Profit before Depreciation, Interest and Tax	2,77,27,908	3,21,43,659
Less: Depreciation	41,73,426	61,04,085
Interest	19,71,586	28,87,394
	61,45,012	89,91,479
Profit before Tax	2,15,82,896	2,31,52,180
Provision for Tax		
Current Tax	(68,00,000)	(80,00,000)
Deferred Tax	2,67,307	(5,77,073)
Earlier Years	4,93,385	
	(60,39,308)	(85,77,073)
Provision for Diminution in value of investment	(26,436)	(2,19,946)
Profit after Tax	1,55,17,152	1,43,55,161
Add: Balance Brought forward from the previous year	2,61,84,944	1,99,45,543
Profit available for Appropriation	4,17,02,096	3,43,00,704
Appropriation		
Transfer to General Reserve	25,00,000	25,00,000
Proposed Dividend	48,00,000	48,00,000
Corporate Dividend Tax thereon	9,83,040	8,15,760
Effect of Revision of Life of Fixed Assets	18,72,060	-
Balance carried forward	3,15,46,996	2,61,84,944
	4,17,02,096	3,43,00,704

2. OPERATIONS

The Company has registered a record performance over previous year, despite challenging macro economic conditions, high inflation, depreciation of the Indian Rupee against the US Dollar and Euro coupled with negative business sentiments prevailing throughout the year and across the Industry. Thanks to the sustained drive and team work of the entire organization, performance remained as top priority on the agenda. This resulted into sales growth and Increase in profitability which should be considered satisfactory.

Your Company has maintained the growth this year as well. Our Revenue from operations increased by 1.83 % i.e. from ₹33.69 crores in previous year to ₹34.30 crores in current year. Profit before tax decreased by 6 % i.e. from ₹229.32 lacs in previous year to ₹215.56 lacs in current year.

DAIKAFFIL

3. DIVIDEND

The Board of Directors is pleased to recommend the final dividend of ₹0.80 per share (on the face value of ₹10 each) for the financial year ended 31st March, 2015.

4. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 Audit, and Nomination and Remuneration Committee. A separate meeting of the Independent Directors was convened, 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.

6. DEPOSITS

The Company has not accepted any deposits from the public during the year under review. As on 31st March, 2015, no unclaimed deposits are lying with the Company.

7. STATUTORY AUDITORS

M/s. Manish Patel and Company, Chartered Accountants, Mumbai, (Registration No. 126272W), the Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and they are eligible for appointment. They have furnished a certificate to the effect that their appointment, if made, will be in accordance with the provisions of Section 139 (1) and other applicable provisions of the Companies Act, 2013 read with the Companies' (Audit and Auditors) Rules, 2014, to hold office from conclusion of ensuing Annual general meeting until the conclusion of 27th Annual General Meeting of the Company to be held in the financial year 2020.

Your Directors recommend their appointment as Statutory Auditors of the Company.

8. 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"

9. 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.

A sum of ₹6.50 lacs has been spent during the year to conserve the energy and reduce other operating costs.

Foreign Exchange Earnings and Outgo

	(₹ in Lacs)
Foreign Exchange Earnings:	2202.95
Foreign Exchange Outgo	1095.97

10. DIRECTORS

During the year under review the composition of Board of Directors was reconstituted as per the provision 149 of the Companies Act 2013 and the rules made there under and as per the revised Clause 49 of Listing Agreement.

The following changes in the Board took place during the year.

A) Changes in Directors and Key Managerial Personnel

Dr. Giuseppe Secomandi was appointed as Independent Director in last Annual General Meeting through oversight, however the Board has reappointed him as a Non executive Director other than Independent Director in its meeting held on 8th November 2014.

Mr. Sishir Amin retired from the position of Managing Director of the Company with effect from January, 1st, 2015. The Board places on record their appreciation of the valuable advice and guidance given by him while he was a Managing Director.

Mr. Amit Patel resigned as Chairman w.e.f. January 1st, 2015 and however continued as a Director. He was appointed as a Managing Director by the Board w.e.f. January 1st, 2015. An ordinary resolution is proposed for appointment of Mr. Amit Patel as Managing Director at this Annual General Meeting.

Mr. Sudhir Patel was appointed as a Chairman w.e.f from January, 1st 2015.

Mr. Rajiv Gandhi was appointed as an Alternate Director in place of Dr. Giuseppe Secomandi, Non Executive Director w.e.f. 13th February 2015.

Mr. Sunil Merchant was appointed as an Alternate Director in place of Mr. Hiroshige Tanaka, Independent Director w.e.f. 13th February 2015.

The Board of Directors had appointed Mrs. Maithili Siswawala as Additional Director in the category of Woman Director with effect from 17th March 2015. Her terms of office expire at this Annual General Meeting pursuant to the provision of section 161(1) of Companies Act 2013. An Ordinary Resolution is proposed to appoint her as a Director at this Annual General Meeting

Dr. Giuseppe Secomandi, retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

B) Declaration by an Independent Director(s) and re- appointment, if any

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.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEE

During the financial year under review the Board met 6 (Six) times and Audit Committee met 5 (Five) 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.

12. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has a vigil mechanism for Directors, employees any other individual or organization to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Law or any other concerns/grievances. The mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail of the mechanism. In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on Company's website.

13. NOMINATION AND REMUNERATION COMMITTEE

During the financial year under review 4 (four) meeting of the Committee were 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.

The policy on Nomination & Remuneration is annexed herewith as “**Annexure B**”.

14. 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 C**”

15. CORPORATE GOVERNANCE

The Corporate Governance are set out as separate “**Annexure D**” together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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16. MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Management Discussion & Analysis Report, which form an integral part of this Report, is annexed herewith as “Annexure E”

17. 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 had 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 had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. PARTICULARS OF 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 F”

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.

19. 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.

20. 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,

Mumbai, May 29, 2015

AMIT PATEL
Managing Director
(DIN : 00005232)

ADITYA PATEL
Jt. Managing Director
(DIN : 00005276)

DAIKAFFIL*"Annexure A" to the Directors' Report***Form No. MGT-9**

Extract of Annual Return as on the financial year ended on 31.03.2015

I REGISTRATION AND OTHER DETAILS	
1. CIN	L24114MH1992PLC067309
2. Registration Date	June 19, 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 and contact details	E-4, M.I.D.C. Tarapur, Boisar Dist Palghar - 401506 Maharashtra
6. Whether listed Company Yes/No	Yes
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078. Tel Nos. 25946970, Fax Nos. 25946969 Email: rnt.heldesk@linkintime.co.in

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

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sl. No.	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)

DAIKAFFIL

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				No. of Shares held at the end of the year				% Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(A) Promoter and Promoter Group											
1. Indian											
(a)	Individuals/Hindu Undivided Family/PAC/Relatives of Directors	1433749	100	1433849	23.90	1433749	100	1433849	23.90	NO CHANGE DURING THE YEAR	
(b)	Central Government/State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
(c)	Bodies Corporate	503300	Nil	503300	8.39	503300	0	503300	8.39		
(d)	Financial Institutions / Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Sub Total (A)(1)		1937049	100	1937149	32.29	1937049	100	1937149	32.29		
2. Foreign											
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
(c)	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
(d)	Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Sub Total (A)(2)		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		1937049	100	1937149	32.29	1937049	100	1937149	32.29		

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(B) Public shareholding										
1. Institutions										
(a)	Mutual Funds/UTI	Nil	1500	1500	0.03	Nil	1500	1500	0.03	NO CHANGE DURING THE YEAR
(b)	Financial Institutions / Banks	Nil	7900	7900	0.13	Nil	7900	7900	0.13	
(c)	Central Government / State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(d)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(e)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(f)	Foreign Institutional Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(h)	Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	Sub Total (B) (1)	Nil	9400	9400	0.16	Nil	9400	9400	0.16	
2. Non-institutions										
(a)	Bodies Corporate	445701	4100	449801	7.50	324459	4100	328559	5.48	-2.02
(b)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	1122433	230250	1352683	22.54	1153115	225550	1378665	22.98	0.43
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1063721	109600	1173321	19.56	959894	109600	1069494	17.82	-1.73
(c)	Qualified Foreign Investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)	Any Other									
(i)	Non Resident Indians (Repat)	32458	44500	76958	1.28	28392	44500	72892	1.21	-0.07
(ii)	Non Resident Indians (Non Repat)	2591	Nil	2591	0.04	1333	Nil	1333	0.02	Nil
(iii)	Foreign Companies	0	749700	749700	12.50	0	749700	749700	12.50	Nil
(iv)	Clearing Member	3397	Nil	3397	0.06	207808	Nil	207808	3.46	3.41
(v)	Foreign Collaborators	Nil	245000	245000	4.08	Nil	245000	245000	4.08	Nil
(vi)	Trust	Nil	Nil	Nil	Nil	Nil	Nil	0	Nil	Nil
	Sub Total (B)(2)	2670301	1383150	4053451	67.56	2675001	1378450	4053451	67.56	Nil
Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)										
	Total (A)+(B)	4607350	1392650	6000000	100	4612050	1387950	6000000	100.00	0.0
(c) Shares held by custodians and against which Depository Receipts have been issued										
	Promoter and Promoter group	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub Total (C)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
GRAND TOTAL (A)+(B)+(C)										
		4607350	1392650	6000000	100	4612050	1387950	6000000	100.00	0.0

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ii) Shareholding of Promoters							
Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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 Gita A Patel	183300	3.06	0.00	183300	3.06	0.00	NO CHANGE DURING THE YEAR
2 Aruna Vinodchandra Merchant	60000	1.00	0.00	60000	1.00	0.00	
3 Patel Amit Jayant	927450	15.46	0.00	927450	15.46	0.00	
4 Caffil Pvt Ltd	503300	8.39	0.00	503300	8.39	0.00	
5 Padmanabh Vinodchandra Merchant	52450	0.87	0.00	52450	0.87	0.00	
6 Nitin Prabhudas Bhagat	50000	0.83	0.00	50000	0.83	0.00	
7 Sishir Rasik Amin	30800	0.51	0.00	30800	0.51	0.00	
8 Mita Bhagat	25000	0.42	0.00	25000	0.42	0.00	
9 Surbhi Kishore Tanna	200	0.00	0.00	200	0.00	0.00	
10 Aditya A Patel	100	0.00	0.00	100	0.00	0.00	
11 Kishore Jagjivandas Tanna	50	0.00	0.00	50	0.00	0.00	
12 Patel Aditya Amit	104499	1.74	0.00	104499	1.74	0.00	
	1937149	32.29	0.00	1937149	32.29	0.00	
	6000000	100.00	0.00	6000000	100.00	0.00	

iii) Change in Promoters' Shareholding (please specify, if there is no change)				
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	1937149	32.29	1937149	32.29
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	NO CHANGE DURING THE YEAR			
At the End of the year	1937149	32.29	1937149	32.29

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	H. G. E. Chemical Company S.A.	749700	12.50	749700	12.50
2	Adroit Serv Pvt Ltd	130462	2.17	108373	1.81
3	Sharad Kanayalal Shah	125935	2.10	Nil	Nil
4	Jain Pal Jain	113025	1.88	113025	1.88
5	Parasuraman Ramesh	87000	1.45	Nil	Nil
6	Vijay Gupta (HUF)	99233	1.65	99233	1.65
7	Pharmasynt Formulations Ltd	66266	1.10	66266	1.10
8	VPG Finsec Private Limited	69989	1.17	Nil	Nil
9	Yoshiaki Tagami	245000	4.08	245000	4.08
10	Vijay Prakash Gupta	Nil	Nil	64340	1.07
11	Vijit Gupta	Nil	Nil	61954	1.03
12	BP Comtrade Private Limited	Nil	Nil	180000	3.00
	Total	1686610	28.11	1687891	28.13

v) Shareholding of Directors and Key Managerial Personnel:					
	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Mr. Amit Patel				
	At the beginning of the year	927450	15.46	927450	15.46
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	927450	15.46	927450	15.46
	Mr. Sishir Amin				
	At the beginning of the year	30800	0.51	30800	0.51
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	30800	0.51	30800	0.51
	Mr. Aditya Patel				
	At the beginning of the year	104599	1.74	104599	1.74
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease	NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)	104599	1.74	104599	1.74

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V. INDEBTEDNESS									
Indebtedness of the Company including interest outstanding/accrued but not due for payment									
		Secured Loans excluding deposits		Unsecured Loans		Deposits		Total Indebtedness	
	Indebtedness at the begin-ning of the financial year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i)	Principal Amount	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (i+ii+iii)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Change in Indebtedness during the financial year· Addition · Reduction	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Net Change	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i)	Principal Amount	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Interest due but not paid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
iii)	Interest accrued but not due	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (i+ii+iii)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:					
		Name of MD/WTD/ Manager			Total Amount
		Sishir Amin	Amit Patel	Aditya Patel	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,508,864	871,560	390,426	2,770,850
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	75,574	47,465	71,780	194,819
(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 (A)	1,584,438	919,025	462,206	2,965,669

Note:

- 1 Mr. Sishir Amin retired as a Managing Director w.e.f 1st January 2015
- 2 Mr. Aditya Patel, Jt.Managing Director was also appointed as a Chief Financial Officer w.e.f 1st June 2014

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B. Remuneration to other Directors:						
Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors	Sudhir Patel	Jagdish Vasa	Hiroshige Tanaka	Sunil Merchant	
	Fees for attending Board / Committee meetings					
1	Sitting Fees	110,000	110,000	NIL	10,000	230,000
2	Commission	—	—	—	—	—
3	Others	—	—	—	—	—
	Total (1)	110,000	110,000		10,000	230,000
	Other Non-Executive Directors	Giuseppe Seccomandi	Rajiv Gandhi			
	Fees for attending Board / Committee meetings					
1	Sitting Fees	NIL	10,000	—	—	10,000
2	Commission	—	—	—	—	—
3	Others	—	—	—	—	—
	Total (2)	—	10,000	—	—	10,000
	Total (B) = (1+2)					240,000

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD.		
Sl. no.	Particulars of Remuneration	Company Secretary
1.	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	239,590.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	—
	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 (C)	239,590.00

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)
A.	COMPANY					
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty					
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					

For and on behalf of the Board,

Mumbai, May 29, 2015

AMIT PATEL
Managing Director

ADITYA PATEL
Jt. Managing Director

NOMINATION AND REMUNERATION POLICY

The Board of Directors of **Daikaffil Chemicals India Limited ("The Company")** constituted the "Nomination and Remuneration Committee" consisting of three (3) Non-Executive Directors of which majority are the Independent Directors.

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 Clause 49 (IV) under the Listing Agreement, which was placed and approved by the Board of Directors vide its resolution dated 13th February 2015

This policy shall be effective from Financial Year 2014-15

Definition

'**Board of Directors**' or 'Board', in relation to the Company, means the collective body of the Directors of the Company.

'**Committee**' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

'**KMP**': The "Key Managerial Personnel" means

- ✓ Chief Executive Officer or the Managing Director or the Manager, Whole-time Director;
- ✓ Chief Financial Officer;
- ✓ Company Secretary; and such other officer as may be prescribed.

Committee Members

The Nomination and Remuneration Committee comprises of the following Directors:

- | | | |
|-------------------------|------------------------------------|----------|
| 1. Mr. Jagdish Vasa | Non-executive Independent Director | Chairman |
| 2. Mr. Sudhir Patel | Non-executive Independent Director | Member |
| 3. Mr. Hiroshige Tanaka | Independent Director | Member |

Objective`

The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and other employees.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Other employees.

Terms of reference:

The Committee shall:

- (a) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions and in the position below the level of Senior Managements in accordance with the criteria laid down in this policy
- (b) Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- (c) devise a policy on Board diversity

Members

- (a) The Committee shall consist of a minimum 3 non-executive Directors, majority of them being independent.
- (b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- (c) Membership of the Committee shall be disclosed in the Annual Report.

Chairman

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting or in his absence, any other member of the Committee authorized by him in this behalf shall attend the general meeting of the Company in compliance with section 178 (8).

Remuneration

Remuneration to Whole-time / Executive / Managing Director, KMP and Other employees:

Basic Pay:

The Whole-time Director, Key Managerial Personnel ("KMP")* and other employees shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.

Other allowances:

The quantum of perquisites including, employer's contribution to provident fund (E.P.F.), pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Remuneration to Non- Executive / Independent Director:

Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The Remuneration payable to Directors who are neither Managing Directors nor whole time Directors shall not exceed, -

1% of the net profits of the Company, if there is a Managing Director or Whole Time Director or manager

Meetings

The meeting of the Committee shall be held at such regular intervals as may be required

Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

Minutes

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

Mumbai, May 29, 2015

AMIT PATEL
Managing Director
(DIN : 00005232)

For and on behalf of the Board,

ADITYA PATEL
Jt. Managing Director
(DIN : 00005276)

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 MARCH 31, 2015

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 March 31, 2015, 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 March 31, 2015 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.

- 7 Factories Act, 1960.
- 8 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.

- 9 Labour Welfare Act of the Central and respective states.
- 10 Acts prescribed under Direct Tax and Indirect Tax Laws by the Central and respective State Governments.
- 11 Land Revenue Laws of respective states.
- 12 Local laws as applicable to various offices and Premises of the Company.
- 13 Environment Protection Act, 1986 and other environmental laws.
- 14 Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003.
- 15 Industrial Disputes Act, 1947.
- 16 Indian Stamp Act, 1999
- 17 Indian Contract Act, 1872
- 18 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 The Listing Agreements entered into by the Company with BSE Limited.

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.
- 3 Merger / amalgamation / reconstruction etc.
- 4 Foreign technical collaborations.

DINESH KUMAR DEORA
PRACTISING COMPANY SECRETARY

FCS NO. 5683
C P NO. 4119

Place: Mumbai
Date: 15-05-2015

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, 2015 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 (Three) 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 Woman 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 Clause 49 of the Listing Agreement. The Board consists of 7 (Seven) Directors out of which 3 (Three) are the Independent Directors, 2 (Two) are the Non Executives Directors, and 2 (Two) are the Executives Promoters Directors.

The following are the composition of the Board as on date and the changes occurred during the year under review.

	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.	Mrs. Maithili Siswawala	Non Executive (Woman Director)	Additional Director

	Name of Director	Particular of Changes in the Board during the year
1.	Mr. Sudhir Patel	Elected as a Chairman of the Board of Director w.e.f. 01.01.2015
2.	Mr. Amit Patel	Appointed as a Managing Director w.e.f. 01.01.2015
3.	Mr. Sishir Amin	Retired as a Managing Director of the Company w.e.f. 01.01.2015
4.	Mr. Aditya Patel	Jt. MD also appointed as a C.F.O. w.e.f. 01.06.2014
5.	Mr. Jagdish Vasa	No Changes
6.	Dr. Giuseppe Seccomandi	Re-appointed as a NED other than Independent Director w.e.f. 08.11.2014
7.	Mr. Hiroshige Tanaka	No Changes
8.	Mr. Sunil Merchant	Appointed w.e.f. 13.02.2015 as Alternate Director to Mr. Hiroshige Tanaka
9.	Mr. Rajiv Gandhi	Appointed w.e.f. 13.02.2015 as Alternate Director to Dr. Giuseppe Seccomandi
10.	Mrs. Maithili Siswawala	Appointed w.e.f. 17.03.2015 as Additional Director

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

During the financial year 2014-15, the Board met 6 (six) times on 23rd May 2014, 13th August 2014, 16th October 2014, 8th November 2014, 2nd January 2015 and 13th February 2015. 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					
		23.5.2014	13.8.2014	16.10.2014	8.11.2014	2.1.2015	13.2.2015
1.	Mr. Sudhir Patel	✓	✓	✓	✓	✓	✓
2.	Mr. Amit Patel	✓	✓	✓	✓	✓	✓
3.	Mr. Sishir Amin	✓	✓	AB	✓	NA	NA
4.	Mr. Aditya Patel	✓	✓	AB	✓	✓	✓
5.	Mr. Jagdish Vasa	✓	✓	✓	✓	✓	✓
6.	Dr. Giuseppe Seccomandi	AB	AB	AB	AB	AB	*✓
7.	Mr. Hiroshige Tanaka	AB	AB	AB	AB	AB	*✓
8.	Mr. Sunil Merchant	NA	NA	NA	NA	NA	✓
9.	Mr. Rajiv Gandhi	NA	NA	NA	NA	NA	✓
10.	Mrs. Maithili Siswawala	NA	NA	NA	NA	NA	NA

* Meetings were attended by their Alternate Directors.

Mr. Amit Patel and Mr. Sudhir Patel attended the last Annual General Meeting held on September, 26th 2014.

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

	Name of the Directors	No. of other Directorships held	No. of other Board Committee(s) of which He/She is	
			Member	Chairman
1.	Mr. Sudhir Patel	8	4	1
2.	Mr. Amit Patel	1	0	0
3.	Mr. Aditya Patel	2	0	0
4.	Mr. Jagdish Vasa	2	0	0
5.	Dr. Giuseppe Seccomandi	0	0	0
6.	Mr. Hiroshige Tanaka	0	0	0
7.	Mr. Sunil Merchant	4	0	0
8.	Mr. Rajiv Gandhi	5	0	3
9.	Mrs. Maithili Siswawala	0	0	0

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 Clause 49 of the Listing Agreement 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;
- Scrutinize 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.

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(ii) Composition of the Committee

The Audit Committee at present comprises of 2 (Two) Independent Directors forming a majority and 1 (One) Executive Director. The composition of Audit Committee is as follows:

	Name of Director	Category	Particular of Changes
1.	Mr. Sudhir Patel	Chairman	Elected as a Chairman of Committee w.e.f. 13.8.2014
2.	Mr. Aditya Patel	Member	Elected as a Member on 13.02.2015
3.	Mr. Jagdish Vasa	Member	No Changes
4.	Mr. Sishir Amin	Member	Up to 01.01.2015

(iii) Number of Meetings of Committee held and attended by Members

During the financial year the committees met 5 (five) times on May 23rd, 2014, August 13th, 2014, October 16th 2014, November 08th, 2014 and February 13th, 2015.

	Name of Member	No. of Meeting Attended				
		23.5.2014	13.8.2014	16.10.2014	8.11.2014	13.2.2015
1.	Mr. Sudhir Patel	✓	✓	✓	✓	✓
2.	Mr. Sishir Amin	✓	✓	AB	✓	NA
3.	Mr. Aditya Patel	NA	NA	NA	NA	✓
4.	Mr. Jagdish Vasa	✓	✓	✓	✓	✓

The Chairman of the Audit Committee was present at the Annual General Meeting held on 26th September, 2015.

IV. NOMINATION AND REMUNERATION COMMITTEE:

(i) Brief description of terms of reference includes.

The Remuneration Committee was constituted on June, 30th 2004 and revised and renamed as Nomination and Remuneration Committee on August 13th 2014. 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 3 (Three) Independent Directors. The composition of Audit Committee is as follows:

	Name of Director	Category	Particular of Changes
1.	Mr. Jagdish Vasa	Chairman	Elected as a Chairman of Committee w.e.f. 13.08.2014
2.	Mr. Sudhir Patel	Member	No Change
3.	Mr. Hiroshige Tanaka	Member	Elected as a Member of Committee w.e.f. 13.08.2014

(iii) Number of Meetings of Committee held and attended by Members

	Name of Member	No. of Meeting Attended			
		23.5.2014	13.8.2014	02.01.2015	13.2.2015
1.	Mr. Jagdish Vasa	✓	✓	✓	✓
2.	Mr. Sudhir Patel	✓	✓	✓	✓
3.	Mr. Hiroshige Tanaka	AB	AB	AB	*✓
4.	Mr. Sunil Merchant	NA	NA	NA	✓

* Attended by his Alternate Director

(iv) Remuneration Policy

The details Nomination and Remuneration policy is annexed with the Directors Report.

(v) 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 2014-15 are as under:

Name	Salary (₹)	Perquisites (₹)	Total (₹)
Mr. Amit Patel	871,560	47,465	919,025
Mr. Sishir Amin	1,508,864	75,574	1,584,438
Mr. Aditya Patel	390,426	71,780	462,206

The Non-Executive Directors are paid sitting fees ₹10,000/- for attending Board Meeting and ₹10,000/- for attending Audit Committee Meeting. The total amount of sitting fees paid during the year was ₹240,000/-. 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 01.04.2014 to 31.03.2015 (₹)
Mr. Sudhir Patel	110,000
Mr. Jagdish Vasa	110,000
Dr. Giuseppe Seccomandi	---
Mr. Hiroshige Tanaka	---
Mr. Sunil Merchant	10,000
Mr. Rajiv Gandhi	10,000

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

	Name of Director	Category	Particular of Changes
1.	Mr. Jagdish Vasa	Chairman	Elected as a Chairman of Committee w.e.f. 13.08.2014
2.	Mr. Aditya Patel	Member	No Change
3.	Dr. Giuseppe Seccomandi	Member	Elected as a Member of Committee w.e.f. 13.02.2015

(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 ☎ 022-61016610 📧 cs.amita@daikaffil.com
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(iii) No. of Shareholders` Complaints received so far

The Company has approximately 3065 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 2014-15	Resolved during the year 2014-15	Pending at the Year End
-	6	6	0

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
20th	FRIDAY	28.09.2012	11.30 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Thane, Maharashtra-401506
21st	FRIDAY	27.09.2013	11.30 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Thane, Maharashtra-401506
22nd	FRIDAY	26.09.2014	11.30 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Palghar, -401506 Maharashtra

(i) No Special Resolution was passed at the last three Annual General Meetings.

(ii) No Special Resolution was passed last year through postal ballot.

(iii) No Special Resolution is proposed to be conducted through postal ballot.

VII. DISCLOSURES:

- No penalties or strictures have been imposed on the Company by the Stock Exchanges or The Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.
- The Company has adopted a Code of Conduct for its Directors and employees. This Code of Conduct has been communicated to each of them.
- 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 Clause 49 (IV) under the Listing Agreement.
- 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 Sub-clause 1D of Clause 49 of Equity Listing Agreement,
- The Company has appointed Mrs. Maithili Siswawala a Women Director in compliance with section 149 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.
- Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

VIII. MEANS OF COMMUNICATION:

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

IX. GENERAL SHAREHOLDER INFORMATION:

(i)	AGM to be held	The 23rd Annual General Meeting will be held on Friday the 21st Day of August, 2015 at 10.00 A.M. at E-4, M.I.D.C. Tarapur, Boisar Dist. Palghar - 401506 Maharashtra		
(ii)	Financial calendar	21st August, 2015		
	Annual General Meeting	Before end of 14th August, 2015		
	First Quarterly Results:	Before end of 15th November, 2015		
	Second Quarterly Results	Before end of 15th February, 2016		
	Third Quarterly Results:	Before end of May, 2016		
	Audited yearly Results for The year ended 31st March 2016,			
(iii)	Dates of Book Closure	18th August, 2015 to 21st August, 2015 (Both days inclusive)		
(iv)	Dividend payment date	On or after 26th August, 2015 to those members whose names stand registered on the Company's Register of Members as on 21st August, 2015.		
(v)	Listing on Stock Exchange	Yes		
(vi)	Stock code	Physical : 30825 Demat : 530825		
(vii)	Stock market data			
	Period	BSE		
		High (₹)	Low (₹)	Volume (Nos.)
	Apr-14	13.90	10.35	19,923
	May-14	17.07	10.08	83,991
	Jun-14	19.80	14.30	116,669
	Jul-14	21.10	16.30	113,499
	Aug-14	26.80	15.60	198,005
	Sep-14	37.00	25.05	721,243
	Oct-14	33.30	23.70	111,429
	Nov-14	38.00	23.15	452,392
	Dec-14	43.00	27.15	398,737
	Jan-15	38.00	28.00	171,831
	Feb-15	34.00	23.10	136,057
	Mar-15	27.90	19.25	230,779
(viii)	Registrar and Transfer Agents	Ms. Link Intime India Private Limited ✉ 0-13, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078 ☎ 022-25946970 📠 022 - 25946969 💻 rnt.helpdesk@linktime.co.in		

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(ix) **Distribution of Shareholding**

No of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-5000	2446	79.8042	399742	6.6624
5001-10000	279	9.1028	245077	4.0846
10001-20000	133	4.3393	211678	3.5280
20001-30000	65	2.1207	167863	2.7977
30001-40000	22	0.7178	79872	1.3312
40001-50000	24	0.7830	113430	1.8905
50001-100000	41	1.3377	299468	4.9911
100001 & above	55	1.7945	4482870	74.7145
Grand Total	3065	100.0000	6000000	100.0000

(x) 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
(xi) Plant Locations	The Company has a single plant located at E-4, M.I.D.C., Tarapur, Boisar Dist. Palghar, - 401506, Maharashtra
(xii) Address for correspondence	✉ E-4, M.I.D.C., Tarapur, Boisar Dist. Palghar - 401506, Maharashtra ☎ 02525-273660, 02525-272674 📧 info@daikaffil.com

For and on behalf of the Board,

AMIT PATEL
Managing Director
(DIN : 00005232)

ADITYA PATEL
Jt. Managing Director
(DIN : 00005276)

Mumbai, May 29, 2015

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, 2015 as stipulated in clause 49 of the listing agreement of the said Company with The Stock Exchange, Mumbai.

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

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

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

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

MANISH PATEL

Proprietor

Membership No.107367

Mumbai: 29th May, 2015

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the Senior Management personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2015.

Mumbai
May 29, 2015

For **DAIKAFFIL CHEMICALS INDIA LIMITED**

Amit Patel
Managing Director
(DIN : 00005232)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**FINANCIAL AND OPERATIONAL PERFORMANCE**

In spite of challenging macro economic conditions, the Company registered a steady growth of 3 % in sales over previous year.

Total sales revenue of the Company for the year comprises domestic sales of ₹ 12.53 Crores [P.Y. ₹ 9.57 Crores] and export sales of ₹ 21.92 Crores [P.Y. ₹ 23.82 Crores]

The following table exhibits, in summary, the Financial Performance of the Company for the year in relation to previous year.

	F.Y. 2014-15	F.Y. 2013-14
Sales Growth [%]	3%	11%
Domestic Sales Growth [%]	31%	9%
Export Sales Growth [%]	(-) 8%	12%
PBDIT [% to sales]	8.04%	6.94%
PAT [% to sales]	4.50%	4.30%
Earnings per share [Rs.]	2.59%	2.39%

During the year under review, all the plants had smooth operations and the capacity utilization was better than the previous year.

OUTLOOK, OPPORTUNITIES AND CHALLENGES

In spite of gloomy global scenario coupled with the Indian economy struggling with slow growth, Industries are optimistic about future growth prospects and working towards enhanced capacities, introduction of new products and most importantly understanding the changing customer preferences and demands and fostering long term profitable relationship with both international and domestic clients.

The Global chemicals market is estimated at about USD 4 trillion and majority of the chemical industry is shifting base to ASIA which has led to share of ASIA in the global chemical industry increasing from 31% to 45%. With ASIA's increasing contribution to the chemical industry, India emerges as one of the focus destinations for chemical companies worldwide. The total market size of the Indian chemicals sector is to increase from USD 108 billion to USD 290 billion within the next 5 years. The Indian chemical industry formed the backbone of the industrial development of India. Hence the Chemicals industries contribution to the GDP is forecasted to be increase substantially by developing a large domestic market through low cost production.

However the success of this sector will depend on how well it manages its key challenges, some of them which include dependence upon imports for intermediates, high fragmentation, small capacities and limited focus on technology up gradation.

India has emerged as a global supplier of Optical brighteners. There has been a remarkable growth in the exports of optical brighteners during the last 5 years and the industry has achieved a growth of almost 14.5 % per annum.

The ability of companies to comply with global regulations and India's manufacturing competitiveness has helped the export growth significantly. Going forward innovation and sustainability initiatives are expected to be a major factor for competitiveness. Development of processes/ products which eliminate or reduce the use of hazardous substances could become the key priority of the producers. Moreover stringent regulatory norms could further push the need to innovate cost effective industrial green chemicals. Currently, the domestic makers also face challenges related to feedstock availability, higher operational costs, outdated technology / processes, limited investments in R&D and a negative perception amongst end users.

For and on behalf of the Board,

AMIT PATEL
Managing Director
(DIN : 00005232)

ADITYA PATEL
Jt. Managing Director
(DIN : 00005276)

Mumbai, May 29, 2015

DISCLOSURE ON REMUNERATION OF DIRECTORS/KMP/EMPLOYEES

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

Directors Remuneration (₹)	Ratio	Median Remuneration of employees (₹)
Executive Directors		
Sishir Amin (effective salary of nine month till 31.12.2014)	15,84,438	8.07:1
Amit Patel	9,19,025	4.68:1
Aditya Patel	4,62,206	2.35:1
Non-Executive Directors		
Mr. Sudhir Patel	110,000	0.56:1
Mr. Jagdish Vasa	110,000	0.56:1
Mr. Sunil Merchant (Sitting fees for 1 meeting)	10,000	0.05:1
Mr. Rajiv Gandhi (Sitting fees for 1 meeting)	10,000	0.05:1

- (b) **the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;**

Managing Director till 31.12.2014	2%
Managing Director appointed w.e.f. 01.01.2015	8%
Chief Financial Officer	61% with effective from 1.1.2015
Company Secretary	Nil

- (c) **the percentage increase in the median remuneration of employees in the financial year;** 12%

- (d) **the number of permanent employees on the rolls of Company;** 76

- (e) **the explanation on the relationship between average increase in remuneration and Company performance;**
Average increase in remuneration has been made to be in line with other chemicals Manufacturing Company and to be in line with the inflation rate.

- (f) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;**

Name of KMP	Designation	2013-2014	2014-2015	Increment in %
Sishir Amin	Managing Director till 31.12.2014	18,89,262	15,84,438	N.A.
Amit Patel	Managing Director	8,52,973	9,19,025	8%
Aditya Patel	CFO	2,86,545	4,62,206	61%
Amita Vishwakarma	Company Secretary	Nil	2,39,590	N.A.
Total		30,28,780	32,05,259	
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated)				32,05,259
Profit before tax (PBT)				2,15,82,896
Remuneration (as % of PBT)				14.85%

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- (g) 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.

- (h) Comparison of performance of the Company

	2013-2014	2014-2015	Performance	
Total Revenue	33,69,04,333	34,30,70,013	Increase	1.83%
PBT	2,29,32,234	2,15,56,460	Decrease	-6.00%
PAT	1,43,55,161	1,55,17,152	Increase	8.09%
Earnings Per Share	2.39	2.59	Increase	8.37%

- (i) The key parameters for any variable component of remuneration availed by the directors;

NOT APPLICABLE.

- (j) The ratio of the remuneration of the highest paid Director to the of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year;

No employee is receiving remuneration in excess or higher than the remuneration of Directors.

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

All remuneration of the Employees and Directors are decided by Nomination & Remuneration Committee and by the Board of Directors within the organization.

For and on behalf of the Board,

AMIT PATEL
Managing Director
(DIN : 00005232)

ADITYA PATEL
Jt. Managing Director
(DIN : 00005276)

Mumbai, May 29, 2015

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

We have audited the accompanying financial statements of Daikaffil Chemicals India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including 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 design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the 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 Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2015;
- 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 2015 ("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 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;

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- 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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, 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 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 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: 29th May, 2015

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.
- 2.
 - a. 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.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of the inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the size of the Company and the same have been properly dealt with in the books of account.
- 3. As the Company has not granted / taken any loans, secured or unsecured to / from Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain services rendered are of a special nature and suitable alternate sources do not exist for obtaining comparative quotations for the same, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit no major weakness has been noticed in the internal controls.
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.
 - c. The Company has not been required till now to transfer any amount to Investor Education Protection Fund under the provisions of the Companies Act, 1956 and the rules thereof.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. 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.
10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. 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.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For MANISH PATEL & COMPANY

Chartered Accountants

Firm Reg. No. 126272W

MANISH PATEL

Proprietor

Membership No.107367

Mumbai: 29th May, 2015

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BALANCE SHEET AS AT 31ST MARCH, 2015			(Rupees)		
	Note	As at 31/03/2015	As at 31/03/2014		
A EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	2	60,000,000		60,000,000	
(b) Reserves and surplus	3	52,179,016	112,179,016	44,316,964	104,316,964
2 Non-current liabilities					
(a) Long-term borrowings	4	-		153,041	
(b) Deferred tax liabilities (net)	5	3,539,468		3,806,775	
(c) Long-term provisions	6	510,669	4,050,137	693,946	4,653,762
3 Current liabilities					
(a) Short-term borrowings	7	18,875,287		23,377,345	
(b) Trade payables	8	53,564,134		77,407,111	
(c) Other current liabilities	9	4,942,465		4,756,848	
(d) Short-term provisions	10	5,783,040	83,164,926	7,269,018	112,810,322
	TOTAL		199,394,079	7,269,018	221,781,048
B ASSETS					
1 Non-current assets					
(a) Fixed assets	11				
(i) Tangible assets		53,675,796		55,085,595	
(ii) Capital work-in-progress		14,020		34,502	
		53,689,816		55,120,097	
(b) Non-current investments	12	957,350		609,086	
(c) Long-term loans and advances	13	1,542,409		2,258,161	
			56,189,575		57,987,344
2 Current assets					
(a) Inventories	14	44,346,726		54,809,848	
(b) Trade receivables	15	68,111,273		85,006,125	
(c) Cash and cash equivalents	16	15,070,876		8,876,307	
(d) Short-term loans and advances	17	10,180,891		12,230,254	
(e) Other current assets	18	5,494,738	143,204,504	2,871,170	163,793,704
	TOTAL		199,394,079	2,871,170	221,781,048

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, 29 2015

For and on behalf of the Board of Directors
AMIT J. PATEL Managing Director
(DIN : 00005232)
JAGDISH J. VASA Director
(DIN : 00170466)
ADITYA A. PATEL Chief Financial Officer
(DIN : 00005276)
AMITA VISHWAKARMA Company Secretary

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Statement of Profit and Loss for the year ended 31st March, 2015			(Rupees)	
	Note	As at 31/03/2015	31/03/2014	Year ended 31/03/2014
Revenue from operations (gross)	19	371,745,251	359,715,130	
Less: Excise duty		<u>27,229,935</u>	<u>25,908,734</u>	
Revenue from operations (net)		344,515,316		333,806,396
Other income	20	<u>(1,445,303)</u>		<u>3,097,937</u>
Total revenue		343,070,013		336,904,333
Expenses				
(a) Cost of materials consumed	21	226,704,311	204,561,078	
(b) Purchase of stock-in-trade	22	3,311,447	11,187,413	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(619,189)	(2,368,861)	
(d) Employee benefit expense	24	21,823,742	21,062,910	
(e) Finance costs	25	2,087,886	3,087,391	
(f) Depreciation and amortisation expense	11	4,173,426	6,104,085	
(g) Other expenses	26	<u>64,005,494</u>	<u>70,118,137</u>	
Total expenses		321,487,117		313,752,153
Profit before exceptional & extraordinary items and tax		21,582,896		23,152,180
Exceptional items :-				
Provision for Diminution in value of investment	12	(26,436)	(219,946)	
Short/Excess provision of Income Tax		-		
Prior-Period Income / (Expenses)		-		
Excess Depreciation charged in previous years		-		
		<u>(26,436)</u>		<u>(219,946)</u>
Profit before extraordinary items & tax		21,556,460		22,932,234
Extraordinary items		-		-
Profit before tax	-	21,556,460		22,932,234
Tax Expense :				
Current Tax		(6,800,000)	(8,000,000)	
Deferred Tax	5	267,307	(577,073)	
Earlier Years		<u>493,385</u>	-	
		(6,039,308)		(8,577,073)
Profit for the year		15,517,152		14,355,161
Earnings per Equity Share				
[Face Value of Rs. 10 per Equity share)				
Basic and Diluted earning per share (Rs.)]		2.59		2.39

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 29, 2015

For and on behalf of the **Board of Directors**
AMIT J. PATEL Managing Director
(DIN : 00005232)
JAGDISH J. VASA Director
(DIN : 00170466)
ADITYA A. PATEL Chief Financial Officer
(DIN : 00005276)
AMITA VISHWAKARMA Company Secretary

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CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT			
(Rupees)			
	2014-2015		2013-2014
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and extraordinary items	21,582,896		23,152,180
ADJUSTMENTS FOR :			
Depreciation	4,173,426		6,104,085
Interest Paid	1,971,586		2,887,394
Loss/(Profit) on Sale of Fixed asset	145,326	6,290,338	-
	-	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES.	27,873,234		32,143,659
ADJUSTMENTS FOR :			
Trade and other Receivables	17,036,400		(22,093,395)
Taxes	3,218,884		(1,555,576)
Inventories	10,463,123		(10,875,805)
Trade payable and others	(25,327,548)		29,221,464
Repayment of Short Term Borrowings	(4,502,058)	888,801	(3,024,844)
Cash Generated from Operations	28,762,035		23,815,503
Interest paid	(1,971,586)		(2,887,394)
Direct Taxes paid	(9,525,499)	(11,497,085)	(6,444,424)
Cash flow before extraordinary items.	17,264,950		14,483,685
Extraordinary Items	-		-
NET CASH FROM OPERATING ACTIVITIES (A)	17,264,950		14,483,685
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (Including Capital WIP)	(5,316,086)		(4,069,180)
Purchase of investments	(374,700)		-
Sale of Fixed Assets	555,554	(5,135,232)	(4,069,180)
NET CASH USED IN INVESTING ACTIVITIES (B)	(5,135,232)		(4,069,180)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Long Term Loan	(319,388)		(1,784,942)
Increase in Paid-up Capital	-		-
Dividends paid	(5,615,760)	(5,935,148)	(3,509,850)
NET CASH FROM FINANCING ACTIVITIES (c)	(5,935,148)		(5,294,792)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	6,194,570		5,119,713
CASH & CASH EQUIVALENTS:	6,194,570		5,119,713
Opening Balance at Beginning of the year	8,876,307		3,756,594
Closing Balance at the End of the year	15,070,877		8,876,307
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	6,194,570		5,119,713
As per our report attached.	For and on behalf of the Board of Directors		
For MANISH PATEL & COMPANY	AMIT J. PATEL		Managing Director
Chartered Accountants			(DIN : 00005232)
Firm Reg. No. 126272W	JAGDISH J. VASA		Director
			(DIN : 00170466)
MANISH PATEL	ADITYA A. PATEL		Chief Financial Officer
Proprietor			(DIN : 00005276)
Membership No. 107367	AMITA VISHWAKARMA		Company Secretary
Mumbai: May 29, 2015			

NOTES TO THE FINANCIAL STATEMENTS

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) FIXED ASSETS :

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

3) DEPRECIATION :

- a) Depreciation on fixed assets is provided on straight line method 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.
- c) As per requirements of Companies Act, 2013, the Company has re-assessed the remaining useful life of the fixed assets taking into consideration the useful life prescribed in Schedule II of the Act. This has resulted in lower charge of depreciation of Rs. 23.60 lacs for the year. Further the written down value of the Assets of Rs. 18.72 Lacs as on 1st April, 2014, whose residual life is exhausted, has been adjusted against Reserves and Surplus.

4) IMPAIRMENT OF ASSETS

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

5) FOREIGN CURRENCY TRANSACTIONS.

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

6) INVESTMENTS :

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

7) INVENTORIES :

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

8) REVENUE RECOGNITION :

- a) Sale of goods:
Sales are recognized when the significant risks and rewards of ownership have passed to the buyer, which generally coincides with delivery. It includes Excise Duty but excludes Value added Tax and Sales Tax.
- b) Export sales are accounted on the basis of dates of on Board Bill of lading and/ or Airway bill.
- c) Export Incentives are accounted on accrual basis.

9) RETIREMENT AND OTHER EMPLOYEE BENEFITS :

a) Defined Contribution Plan:

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

b) Defined Benefit plan:

i) Gratuity Plan:

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

ii) Leave encashment :

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

10) TAXES ON INCOME :

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

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

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

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

11) CONTINGENT LIABILITIES:

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2015

	As at 31/03/2015	As at 31/03/2014
Note 2: Share Capital		
a) Authorised		
65,00,000 (65,00,000) Equity Shares of Rs.10/- Each..	<u>65,000,000</u>	<u>65,000,000</u>
b) Issued, subscribed and Paid up :		
60,00,000 (60,00,000) Equity Shares of Rs.10/- Each.	<u>60,000,000</u>	<u>60,000,000</u>
	<u>60,000,000</u>	<u>60,000,000</u>

c) Reconciliation of number of Equity Shares :

Particulars	As at 31/03/2015		As at 31/03/2014	
	No. of Shares	Value (Rupees)	No. of Shares	Value (Rupees)
Balance at the beginning of the year	6,000,000	60,000,000	6,000,000	60,000,000
Add: Shares Issued during the year	-	-	-	-
Balance at the end of the year	6,000,000	60,000,000	6,000,000	60,000,000

d) Terms/ Rights attached to the Shares :

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

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

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

Name of the Shareholders	As at 31/03/2015		As at 31/03/2014	
	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%

DAIKAFFIL**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2015**

	As at 31/03/2015	As at 31/03/2014
Note 3 :		
Revaluation Reserve		
Balance at the beginning of the year	2,483,400	2,483,400
Add : During the year	<u>-</u>	<u>-</u>
	2,483,400	2,483,400
Share Premium		
Balance at the beginning of the year	3,448,620	3,448,620
Add : During the year	<u>-</u>	<u>-</u>
	3,448,620	3,448,620
General Reserve		
Balance at the beginning of the year	12,200,000	9,700,000
Add : Transferred from surplus	<u>2,500,000</u>	<u>2,500,000</u>
	14,700,000	12,200,000
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	26,184,944	19,945,543
Add : During the year	<u>15,517,152</u>	<u>14,355,161</u>
	41,702,096	34,300,704
Less : Appropriations		
Transfer to General Reserve	(2,500,000)	(2,500,000)
Effect of Revision of Life of Fixed Assets as per Companies Act, 2013	(1,872,060)	-
Short Provision of Dividend distribution tax of previous year	-	-
Proposed Dividend	(4,800,000)	(4,800,000)
Corporate Dividend Tax Thereon	<u>(983,040)</u>	<u>(815,760)</u>
	31,546,996	26,184,944
	<u>52,179,016</u>	<u>44,316,964</u>
Note 4 : Long - Term Borrowings		
Car Loan from Bank (Secured against Hypothecation of Motor Cars)	-	319,388
Less : Shown as Current Maturities of Term Loans Under Other Current Liabilities	-	(166,347)
	<u>-</u>	<u>153,041</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2015

	As at 31/03/2015	Charge/ (credit) during	As at 31/03/2014
Note 5 :			
Deferred Tax Liabilities (Net)			
Deferred Tax Liabilities:			
on account of timing difference in depreciation	4,422,238	68,150	4,354,088
Allowance U/s. 35DDA on Payment Basis	-	-	-
Allowance U/s. 43(B) on Payment Basis	-	-	-
Sub-Total	4,422,238	68,150	4,354,088
Deferred Tax Assets:			
on account of Employee Cost / Benefits	316,499	(92,572)	409,071
on account of Allowances / disallowances Under Income Tax Act, 1961	566,271	428,029	138,242
Sub-Total	882,770	335,457	547,313
Net Deferred tax liability	3,539,468	(267,307)	3,806,775
Note 6 :			
Long Term Provisions			
Employees benefits :-			
Provision for Gratuity (Refer note No. 24 Fund lying with LIC- In a separate trust account)	-		51,585
Provision for Leave Encashment	510,669		642,361
	510,669		693,946
Note 7			
Short - Term Borrowings			
Secured Loan #			
From Bank			
- Cash Credit	-		4,834,113
- Export Packing Credit	18,875,287		10,043,232
- Bill Discounting	-		8,500,000
	18,875,287		23,377,345
# Secured against hypothecation of Stock in Trade, Book Debts, Plant and Machinery, Other Fixed Assets and Mortgage by Deposit of Title Deeds of Leasehold Land.			
Note 8 :			
Trade Payables			
Due to Micro, Small and Medium Enterprises *	1,268,927		906,064
Due to creditors other than Micro, Small and Medium Enterprises	52,295,207		76,501,047
	53,564,134		77,407,111

* 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.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2015

	As at 31/03/2015	As at 31/03/2014
Note 9 :		
Other Current Liabilities		
Other Liabilities	727,470	473,442
Liability Towards Employees	2,468,693	2,461,479
Statutory Liabilities	155,388	229,396
Unpaid Dividend #	1,365,799	1,196,221
Trade Deposit and Advance	225,115	229,963
Current Maturities of Long Term Borrowings (see note 4)	-	166,347
	<u>4,942,465</u>	<u>4,756,848</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.

Note 10 :

Short Term Provisions

Provision for Dividend	4,800,000	4,800,000
Provision for Corporate Dividend Tax	983,040	815,760
Provision for Income Tax	6,800,000	13,551,000
Less : Advance Tax / TDS	<u>8,365,626</u>	<u>11,897,742</u>
	<u>(1,565,626)</u>	<u>1,653,258</u>
Less Refer Note 18	<u>(1,565,626)</u>	-
	-	1,653,258
	<u>5,783,040</u>	<u>7,269,018</u>

Note 11

FIXED ASSETS

Name of Assets	Gross Block			Depreciation			Net Block			
	As at 31/03/2014	Additions	Deductions	As at 31/03/2015	Provided Upto 31/03/2014	Provided this year	Adjustment/ Deduction during the year	As at 31/03/2015	As at 31/03/2015	As at 31/03/2014
LAND (LEASEHOLD)	3,900,000	-		3,900,000				3,900,000	3,900,000	3,900,000
FACTORY BUILDING	23,770,831	-		23,770,831	10,250,130	793,944	-	11,044,074	12,726,757	13,520,701
FLAT	319,031	-		319,031	95,243	5,200	-	100,443	218,588	223,788
PLANT & MACHINERY	94,481,492	4,553,103		99,034,595	63,950,016	1,896,207	-	65,846,223	33,188,372	30,531,476
ELECTRICAL INSTALLATIONS	5,863,359	-		5,863,359	3,048,157	408,007	1,253,230	4,709,394	1,153,965	2,815,202
LABORATORY EQUIPMENT	1,568,401	23,325	-	1,591,726	414,217	277,552	66,770	758,539	833,187	1,154,184
OFFICE EQUIPMENTS	1,058,248	433,952	59,538	1,432,662	376,243	278,708	254,761	909,712	522,950	682,005
FURNITURE & FIXTURES	1,563,114	249,630		1,812,744	501,073	191,528	102,352	794,953	1,017,791	1,062,041
COMPUTER	1,059,114	76,557	-	1,135,671	691,717	172,071	181,839	1,045,627	90,044	367,397
VEHICLES	1,465,101	-	963,974	501,127	636,300	150,209	(309,524)	476,985	24,142	828,801
Total	135,048,691	5,336,567	1,023,512	139,361,746	79,963,096	4,173,426	1,549,428	85,685,950	53,675,796	55,085,595
Previous year	129,198,878	5,849,813	-	135,048,691	73,859,011	6,104,085	-	79,963,096		
Capital Work-in-Progress									14,020	34,502
									53,689,816	55,120,097

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2015

	As at 31/03/2015	As at 31/03/2014
Note 12 :		
Non Current Investments		
Long-term		
Unquoted and non trade		
Investment in 264666(264666) Equity shares of face value Rs.10/- each of Erca Speciality Chemicals Pvt. Ltd.,	2,646,600	2,646,600
Less: Provision for Diminution in the value of investment	<u>2,063,950</u>	<u>2,037,514</u>
	582,650	609,086
Investment in 3747 shares of face value Rs.100/- each of Tarapur Environment Protection Society	374,700	-
	<u>957,350</u>	<u>609,086</u>
Note 13 :		
Long Term Loans and Advances		
<i>Unsecured and Considered Good</i>		
A Capital Advances	-	42,000
B Security Deposits	664,035	1,446,439
C Asset with LIC for Leave Encashment (Refer Note 24)	612,053	769,722
D Asset with LIC for Gratuity Fund (Refer Note 24)	266,321	-
	<u>1,542,409</u>	<u>2,258,161</u>
Note 14 :		
Inventories - As certified by Management		
Valued at Lower of Cost or Net Realizable Value :		
Raw Materials	16,118,315	26,940,640
Work-in- Progress	17,986,110	23,338,248
Finished Goods	9,156,265	3,175,132
Stock-in-Trade	558,859	568,665
Valued at Cost :		
Stores and Spares.	166,417	420,221
Packing Materials	360,760	366,942
	<u>44,346,726</u>	<u>54,809,848</u>
Note 15 :		
Trade Receivables		
<i>Unsecured and Considered Good</i>		
Outstanding for a period exceeding six months from the date they are due for payment	823,767	1,482,667
Other Trade Receivables	67,287,506	83,523,458
	<u>68,111,273</u>	<u>85,006,125</u>
Note 16 :		
Cash and Bank Balances		
A Cash and Cash Equivalents :		
Cash on hand	240,549	16,936
Balances with Banks in current accounts	11,578,365	5,933,860
	<u>11,818,914</u>	<u>5,950,796</u>

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2015

	As at 31/03/2015	As at 31/03/2014
B Others bank balances :-		
- Deposit Accounts (with maturity more than 3 months but less than 12 months) Lodged as security with Bank as Margin Money against Letters of Credit and Bank Guarantee.	1,886,163	1,729,290
Earmarked balances with bank for Unpaid Dividends	1,365,799	1,196,221
	<u>3,251,962</u>	<u>2,925,511</u>
Total	<u>15,070,876</u>	<u>8,876,307</u>
Note 17 :		
Short - Term Loans and advances		
Unsecured and Considered Good		
Prepaid Expenses	405,704	710,861
Cenvat Credit Receivable	2,624,529	3,385,550
Loans to Employees	124,600	232,650
Balances with Government Authorities	6,222,039	6,862,693
Advances to Suppliers	304,819	1,038,500
Advance towards purchase of Shares of Tarapur Environment Protection Society	499,200	-
	<u>10,180,891</u>	<u>12,230,254</u>
(A) Loans and Advances to Related Parties includes receivable from :		
Note 18 :		
Other Current Assets		
Unsecured and Considered Good		
Interest Accrued on Investments / Deposits	60,917	82,191
For others		
For Advance Tax / TDS	8,365,626	11,897,742
Less : Provision for Income Tax	6,800,000	13,551,000
	<u>1,565,626</u>	<u>(1,653,258)</u>
Less Refer note10	-	<u>(1,653,258)</u>
	1,565,626	-
For others		
MVAT Recoverable from Govt.	2,449,772	2,243,961
DEPB Licence Unutilised	1,418,423	545,018
	<u>5,494,738</u>	<u>2,871,170</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31/03/2015	Year ended 31/03/2014
Note 19:		
Revenue from Operations		
a) Sale of Products :- (Refer note 19A)		
- Manufactured Finished Goods	361,751,091	339,076,722
- Trading Goods	3,851,420	17,402,390
	<u>365,602,511</u>	<u>356,479,112</u>
b) Sale of Services - Processing Charges	-	32,676
c) Other Operating Revenue (Export Incentives)	6,142,740	3,203,342
	<u>371,745,251</u>	<u>359,715,130</u>
Less : Excise duty	27,229,935	25,908,734
Revenue from Operations (Net)	<u>344,515,316</u>	<u>333,806,396</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31/03/2015	Year ended 31/03/2014		
19A Details of Products Sold				
(i) Sale of finished Goods				
Organic Intermediates (Net of Excise)	120,758,927	102,535,191		
Optical Brighteners (Net of Excise)	213,762,229	210,632,797		
Add: Excise Duty	27,229,935	25,908,734		
(iii) Sale of Goods - in - Trade (Net of Excise Duty)				
Organic Intermediates	3,851,420	6,778,790		
Optical Brighteners	-	10,623,600		
	365,602,511	356,479,112		
Note 20 :				
Other Income				
Interest:				
- On Bank Deposits	178,032	151,954		
- Others	183,723	588,611		
Exchange Gain (Net)	(1,916,212)	2,385,127		
Miscellaneous Income	109,154	(27,755)		
	(1,445,303)	3,097,937		
Note 21 :				
Raw Materials Consumed				
Raw materials Consumed :				
Opening stock	26,940,640	18,225,110		
Add : Purchase	217,912,045	214,975,319		
	244,852,685	233,200,429		
Less : Raw Material Sales	- 1,781,768	1,698,711		
Less : Loss in transit	248,291			
	242,822,626	231,501,718		
Less : Closing Stock	16,118,315	26,940,640		
	226,704,311	204,561,078		
(A) Details of Raw Materials Consumed				
Chemicals				
Organic Intermediates	131,972,891	116,068,376		
Inorganic Intermediates	94,731,420	88,492,702		
	226,704,311	204,561,078		
(B) Value of imported and Indigenous of Raw Materials consumed				
	2014-15		2013-14	
	Value	% to total Consumption	Value	% to total Consumption
Raw Materials :				
Imported at landed cost	106,115,875	46.81%	88,843,934	43.43%
Indigenously obtained	120,588,436	53.19%	115,717,144	56.57%
	226,704,311	100.00%	204,561,078	100.00%
Note 22 :				
Purchase of Goods - in- Trade	3,311,447		11,187,413	
Organic Intermediates (Net of Excise)	3,311,447		5,405,273	
Optical Brighteners (Net of Excise)	-		5,782,140	
	3,311,447		11,187,413	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31/03/2015	Year ended 31/03/2014
Note 23 :		
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade		
Opening Stock		
Work- in- Progress	23,338,248	19,807,514
Finished Goods	3,175,132	4,816,450
Stock-in-Trade	<u>568,665</u>	<u>89,220</u>
	27,082,045	24,713,184
Less : Closing Stock		
Work - in - Progress	17,986,110	23,338,248
Finished Goods	9,156,265	3,175,132
Stock-in-Trade	<u>558,859</u>	<u>568,665</u>
	27,701,234	27,082,045
	<u>(619,189)</u>	<u>(2,368,861)</u>

Note 23 A :

Details of Work In Progress

Organic Intermediates	6,083,035	12,580,158
Optical Brighteners	<u>11,903,075</u>	<u>10,758,090</u>
	17,986,110	23,338,248

Note 24 :

Employee Benefit expenses

Salaries, Wages and Bonus	19,332,617	18,434,120
Contribution to Provident, Gratuity and other Funds *	1,534,535	1,730,255
Staff Welfare Expenses	<u>956,590</u>	<u>898,535</u>
	21,823,742	21,062,910

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

A) Defined Contribution Plans

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

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

- Employers' Contribution to Provident Fund	553,794	549,607
- Employers' Contribution to Employees' State Insurance	34,152	28,195
- Employers' Contribution to Employees' Pension Scheme, 1995	<u>549,806</u>	<u>458,338</u>
A	1,137,752	1,036,140

B) Defined Benefit Plans

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

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

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

- Employers' Contribution to LIC Group Gratuity Scheme	340,024	613,756
- Employers' Contribution to LIC Leave Encashment Scheme	25,976	52,415
- LIC fund management charges	<u>30,783</u>	<u>27,944</u>
B	396,783	694,115
Total (A+B)	1,534,535	1,730,255

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

	As at 31/03/2015		As at 31/03/2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A Changes in the Present Value of Obligation				
Present Value Of Obligation as at Beginning of the Year	4,511,329	642,361	3,994,637	583,306
Interest Cost	360,906	51,387	319,571	50,162
Current Service Cost	242,291	8,966	215,833	8,776
Past service Cost	-	-	-	43,715
Benefits paid	(1,420,935)	(222,474)	(461,522)	(56,911)
Acturial Gains / (Loss)	150,611	30,428	442,810	13,313
Present value of Obligation as at the end of the year	<u>3,844,202</u>	<u>510,668</u>	<u>4,511,329</u>	<u>642,361</u>
	-	-	-	-
B Changes in the Fair Value of Plan Assets				
Fair Value of Assets as at Beginning of the Year	4,459,744	769,722	4,220,251	763,042
Expected return	413,784	64,805	364,458	63,551
Acturial Gains / (Loss)	-	-	-	-
Net Contribution by Employer	657,930	-	336,557	40
Benefits paid	(1,420,935)	(222,474)	(461,522)	(56,911)
Fair value of Assets as at the end of the year	<u>4,110,523</u>	<u>612,053</u>	<u>4,459,744</u>	<u>769,722</u>
	-	-	-	-
C Amount Recognised in the Balance sheet				
Present value of Obligation as at the end of the year	3,844,202	510,668	4,511,329	642,361
Fair value of Assets as at the end of the year	4,110,523	612,053	4,459,744	769,722
Unfunded Liability / (Net asset) Recognised in Balance Sheet	<u>(266,321)</u>	<u>(101,385)</u>	<u>51,585</u>	<u>(127,361)</u>
	-	-	-	-
D Balance sheet Reconciliation				
Net Laibility at the beginning of the year	51,585	(127,361)	(225,614)	(179,736)
Expense Recognised during the year	340,024	25,976	613,756	52,415
Contribution during the year	(657,930)	-	(336,557)	(40)
Net Laibility Recongnised at the end of the year	<u>(266,321)</u>	<u>(101,385)</u>	<u>51,585</u>	<u>(127,361)</u>
	-	-	-	-
E Amount recognised in Statement of Profit & Loss				
Current Service Cost	242,291	8,966	215,833	8,776
Interest Cost	360,906	51,387	319,571	50,162
Expected Return on Plan Asset	(413,784)	(64,805)	(364,458)	(63,551)
Settlemnt Cost / (Credit)	-	-	-	-
Past Service cost	-	-	-	43,715
Net Acturial (Gain)/ Loss regognised in the period	150,611	30,428	442,810	13,313
Total Expenses charged to Statement of Profit & Loss	<u>340,024</u>	<u>25,976</u>	<u>613,756</u>	<u>52,415</u>
	-	-	-	-
F Percentage of each category of Plan assets to Fair Value of plan Assets				
(1) Insurer Managed fund	100.00%	100.00%	100.00%	100.00%
	-	-	-	-
G Acturial Assumptions				
Discount Rate	8%	8%	8%	9%
Expected return on Plan	9%	8%	9%	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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31/03/2015	Year ended 31/03/2014
Note 25 :		
Finance Cost		
Bank Interest	1,971,586	2,887,394
Hire purchase charges	23,399	43,608
Processing, documentation and other borrowing cost	92,901	156,389
	<u>2,087,886</u>	<u>3,087,391</u>
Note 26 :		
Other Expenses		
Manufacturing Expenses		
Consumption of stores and spare parts	302,827	205,849
Power and fuel	13,141,770	13,993,879
Water consumption	806,926	980,563
Water treatment	1,121,646	876,213
Repairs and maintenance - Buildings	121,563	124,288
Repairs and maintenance - Machinery	2,869,010	2,492,337
Electrical Maintenance.	42,670	31,116
Laboratory Expenses	397,005	264,848
Handling Loss	28,226	53,193
TOTAL (A)	<u>18,831,643</u>	<u>19,022,287</u>
Selling, Distribution and Administration expenses		
Rent including lease rentals	956,590	880,300
Repairs and maintenance - Others	170,296	205,244
Consumption of packing materials	7,983,449	7,987,902
Insurance	514,461	543,355
Rates and taxes	381,336	200,524
Communication	581,116	616,592
Travelling and conveyance	1,245,123	711,832
Printing and stationery	395,616	316,237
Freight and forwarding	7,783,877	7,232,880
Sales commission : export/local	15,469,459	22,470,145
Discount on sales	1,008,531	1,016,368
Business promotion	248,394	150,195
Legal and professional	1,978,616	2,013,931
Payments to auditors		
- Audit Fees	165,000	150,000
- Tax Audit Fees	60,000	55,000
- Taxation matter	-	30,000
- Certification Fees/Other Services	16,000	32,000
Bank Commission & Charges	504,655	542,822
Clearing & Forwarding Charges	730,494	651,361
Export Freight	1,353,284	1,629,648
Electricity charges	166,536	156,914
Vehicle Expenses	352,939	383,878
Membership & Filing Fees	235,714	168,315
Terminal Handling Charges	847,478	1,017,389
Loss on sale of Fixed Assets	145,326	-
Director Sitting fees	240,000	85,000
Entertainment Expenses	208,872	173,980
Share Transfer Expenses	84,455	118,953
Sales Marketing Fees	-	120,300
Administrative Charges	-	553,000
Miscellaneous expenses	1,346,234	881,785
TOTAL (B)	<u>45,173,851</u>	<u>51,095,850</u>
TOTAL (A + B)	<u>64,005,494</u>	<u>70,118,137</u>

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Note 27: As per requirement of Companies Act, 2013, the Company has re-assessed the remaining useful life of the fixed assets taking into consideration the useful life prescribed in Schedule II of the Act. This has resulted in lower charge of depreciation of Rs. 23.60 lacs for the year. Further the written down value of the Assets of Rs. 18.72 Lacs as on 1st April, 2014, whose residual life is exhausted, has been adjusted against Reserves and Surplus.

Note 28: Related party Disclosure

I) Name of the Related party and nature of relationship

A. Associate Enterprises

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

B. Key Management Personnel

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

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

	PARTICULARS	ERCA SPECIALITY (India)	CAFFIL	AMICHEM	KEY MANAGEMENT PERSONNEL
1	Sales (Net)	1,687,238	104,346		-
2	Purchase (Net)	-	511,186	-	-
3	Service charges for use of premises	-		552,500	-
4	Remuneration to Directors *	-	-		3,205,259
5	Director - Sitting Fees	-	-		240,000
6	Outstanding Balances:				-
	Due to the Company (Debtors)	174,980	119,588		-
	Due by the Company (Creditors)	-	204,231		-

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

Note 29: Contingent Liabilities

	PARTICULARS	As at 31/03/2015	As at 31/03/2014
1	Outstanding Letters of Credit	1,159,152	8,494,584
2	Outstanding Bank Guarantee	1,850,000	1,700,000
		3,009,152	10,194,584

Note 30 : Commitments

Estimated amount of contract remaining to be executed on capital Account and not provided for Rs.25 Lakhs (P.Y. Rs. 100 Lakhs)

Note 31 : Disclosure of Interest in Joint Venture / Associate.

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

Sr. No.	PARTICULARS	As at 31/03/2015	As at 31/03/2014
	% Shares Held	25.00%	25.00%
a)	Assets	659,527	1,331,389
b)	Liabilities	76,846	722,273
c)	Income	631,298	1,908,679
d)	Expenses	612,097	2,124,095
e)	Net Worth (a-b)	582,680	609,116

Note 32 : Consolidated financial statement

The Company has one Joint Venture / Associate concern..M/s. Erca Speciality Chemicals Private Ltd., The Company is exempted from preparation of consolidated financial statement under rule 6 of the companies (Accounts) Rules 2014 as amended by Notification dated 14th October 2014.

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Note 33: Dues to Micro and Small suppliers

Particulars	Mar 31,2015	Mar 31,2014
a) The amounts remaining unpaid at the Balance sheet Date		
- Principal	17,706	906,064
- 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	1,785,229	1,029,370
- Interest	-	-
d) The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	30,454	13,860
f) Total Interest due but not paid for the earlier years	42,520	28,660

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

Note : 34 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 : 35 Sundry Debtors and Loans and Advances are subject to confirmation.

Note : 36 Segment Information has not been given as the Company does not have any segment.

Note : 37 Earnings per Share

Particulars	As at 31/03/2015	As at 31/03/2014
(A) Profit attributable to Equity Shareholders (Rs.)	15,517,152	14,355,161
(B) No. of Equity Share outstanding during the year.	6,000,000	6,000,000
(C) Face Value of each Equity Share (Rs.)	10	10
(D) Basic & Diluted earning per Share (Rs.)	2.59	2.39

Note 38 Expenditure in Foreign Currency on Account of :-

- Travelling	264,700	96,913
- Commission	15,021,638	21,901,295

Note 39 Earning in Foreign Currency

FOB Value of Exports	219,291,858	238,163,453
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Note 40 Remittance in Foreign Currency on Account of Dividend

(a) Number of Non-Resident Shareholders	2	2
(b) Number of Equity shares held by them	994,700	994,700
(c) (i) Amount of dividend Paid (Gross)	795,760	497,350
Tax deducted at source	--	---
(ii) Year to which dividend relates	2013-14	2012-13

Note 41 Value of Import on CIF Basis

Raw Materials	94,311,229	92,605,790
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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 29, 2015

For and on behalf of the **Board of Directors**
AMIT J. PATEL Managing Director
(DIN : 00005232)
JAGDISH J. VASA Director
(DIN : 00170466)
ADITYA A. PATEL Chief Financial Officer
(DIN : 00005276)
AMITA VISHWAKARMA Company Secretary

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 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 23rd Annual General Meeting of the Company, to be held on Friday, the 21st day of August, 2015 at 10.00 A.M. at Plot No.E-4, M.I.D.C. Tarapur, Boisar, Dist: Palghar – 401 506 and at any adjournment thereof in respect of such resolutions as are indicated below:

	Resolution	For	Against
1.	Consideration of Financial Statements for the year ended 31st March, 2015		
2.	Declaration of dividend on Equity Shares for the year ended 31st March, 2015		
3.	Re-appoint Dr. Giuseppe Secommandi, liable to retire by rotation		
4.	Appointment of Auditors and fix their remuneration		
5.	Appointment of Mrs. Maithili Siswawala as a Director		
6.	Appointment of Mr. Amit Patel as a Managing Director		
7.	Increase in Remuneration of Mr. Aditya Patel		

Signed thisDay of 2015

Signature of Shareholder

Signature of Proxy holder(s)

Affix Rs. 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.

BOOK - POST

TO

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L.B.S. Marg, Bhandup (West),
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