



DCIL/2016-2017/SE/ 017

September 9th, 2016

To

The Manager

Listing Department,

Bombay Stock Exchange Limited,

P.J. Tower, Fort

Mumbai - 400 001

Scrip Code: 530825

Respected Sir/Madam,

Sub: Annual Report of 24th Annual General Meeting

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report of our 24th Annual General Meeting held on 2nd September 2016.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,

For **DAIKAFFIL CHEMICALS INDIA LIMITED**

Amita

Amita Vishwakarma

Company Secretary

Encl: as Above



ISO 9001 : 2008
FM : 86716

DAIKAFFIL CHEMICALS INDIA LIMITED

52, Nariman Bhavan, Nariman Point, Mumbai - 400 021 T: (91-22) 6101 6699

E: info@daikaffil.com W: www.daikaffil.com CIN NO: L24114MH1992PLC067309

ONE STAR EXPORT HOUSE (RECOGNISED BY MINISTRY OF COMMERCE & INDUSTRY)



DAIKAFIL
CHEMICALS INDIA LIMITED

24th ANNUAL REPORT

2015-2016

CIN: L24114MH1992PLC067309

DAIKAFFIL

BOARD OF DIRECTORS

Sudhir Patel	(Non Executive Chairman)
Amit Patel	(Managing Director)
Aditya Patel	(Jt. Managing Director & C.F.O.)
Jagdish Vasa	(Independent Director)
Giuseppe Seccomandi	(Director)
Hiroshige Tanaka	(Independent Director)
Rajiv Gandhi	(Alternate Director to Director)
Sunil Merchant	(Alternate Director to Independent Director)
Maithili Siswawala	(Director)

KEY MANAGERIAL PERSONAL

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

BANKERS

Karnataka Bank Limited

SECRETARIAL AUDITOR

Mr. Dinesh Kumar Deora (Practicing Company Secretary)

AUDITORS

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

REGISTRARS AND SHARE TRANSFER AGENTS

Link Intime India 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 400 021

REGISTERED OFFICE AND PLANT

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

ANNUAL GENERAL MEETING

Date:	September, 2nd 2016
Time:	10.00 A.M.
Venue:	E-4, M.I.D.C. Tarapur, Boisar, District Palgarh, Maharashtra-401506

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Members are requested to direct all correspondence relating to shares matters to the Company Registrars and Share Transfers Agents

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of **DAIKAFFIL CHEMICALS INDIA LIMITED** will be held on Friday, the 2nd Day of September 2016 at 10.00 A.M. at E-4, M.I.D.C. Tarapur, Boisar, District Palgarh, Maharashtra-401506 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Standalone Audited Financial Statements for the financial year ended 31st March, 2016 including the Audited Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
 - b. The Consolidated Audited Financial Statements for the financial year ended 31st March, 2016 including the Audited Balance Sheet as at 31st March, 2016 and Statement of Profit & Loss for the year ended on that date and the Report of the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Aditya Patel, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors and fix their remuneration and in this regard
"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, appointment of M/s. Manish Patel and Company, Chartered Accountants, Mumbai, (Registration No. 126272W), as the Statutory Auditor, is hereby ratified to hold office from conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors, in addition to the service tax and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company to be reimbursed for the financial year ending 31st March, 2016."

SPECIAL BUSINESS:

5. To consider and to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT in partial modification of ordinary resolution passed in 23rd Annual General Meeting held on 21st August 2015, and pursuant to the provisions of Section 197, 198 read with schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (as may be re-enacted or modified from time to time), and as recommended by Nomination and Remuneration Committee, consent of the Company be and is hereby accorded to the revision in the terms and conditions including remuneration payable to Mr. Amit Patel, Managing Director for the remainder period of his term i.e. up to 31st December 2017, as mentioned below:

A. REMUNERATION:

- (i) Basic Salary of ₹ 51,000/- (Rupees Fifty One Thousand only) per month w.e.f 1st April 2016 subject to such increments as the Board/Committee of Directors may decide from time to time.
- (ii) Commission : As May be decided by the Board of Directors at the end of each year calculated with reference to the net profit of the Company during the financial year, subject to overall ceiling as prescribed in Section 197 of the Companies Act 2013. The Board of Directors has decided to pay commission of ₹ 7,25,000/- (Rupees Seven Lakhs Twenty Five Thousand only) for the financial Year 2015-2016
- (iii) 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.

C. SITTING FEES

Managing Director shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.

D. OTHER TERMS AND CONDITIONS:

- i. The terms and conditions of appointment of Executive Chairman may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.
- ii. Total Remuneration of Mr. Amit Patel in any financial year shall not exceed 5% of the net profit of the Company during that year.

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

“RESOLVED THAT in partial modification of ordinary resolution passed in 23rd Annual General Meeting held on 21st August 2015, and pursuant to the provisions of Section 197, 198 read with schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (as may be reenacted or modified from time to time), and as recommended by Nomination and Remuneration Committee, consent of the Company be and is hereby accorded to the revision in the terms and condition including remuneration payable to Mr. Aditya Patel, Jt. Managing Director and Chief Financial Officer for the remainder period of his term i.e. up to 31st May 2018, as mentioned below:

A. REMUNERATION:

- (i) Basic Salary of ₹ 38,500/- (Rupees Thirty Eight thousand and Five hundred Only) per month subject to such increments as the Board/Committee of Directors may decide from time to time.
- (ii) Commission : As May be decided by the Board of Directors at the end of each year calculated with reference to the net profit of the Company during the financial year, subject to overall ceiling as prescribed in section 197 of the Companies Act 2013. The Board of Directors has decided to pay commission of ₹ 5,50,000/- (Rupees Five Lakhs Fifty thousand) for the financial Year 2015-2016.
- (iii) Bonus as per rules & regulations of the Company and at the discretion of the Board of Directors.

B. PERQUISITES & ALLOWANCES:

The Jt. Managing Director & C.F.O. 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.

C. SITTING FEES

The Jt. Managing Director & C.F.O. shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.

D. OTHER TERMS AND CONDITIONS:

The terms and conditions of appointment of Executive Chairman may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.

Total Remuneration of Mr. Aditya Patel in any financial year shall not exceed 5% of the net profit of the Company during that year.

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

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

Registered Office:

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

Date: May 13, 2016

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 6 AS STATED ABOVE IN ANNEXED HERETO.**
3. The Register of Members and the Shares Transfer Books of the Company will be closed from the Saturday, 27th day of August, 2016 to Friday, the 2nd day of September, 2016 (both days inclusive).
4. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 2nd September, 2016 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 29th August, 2016 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 29th August, 2016
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, 2009 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund established by the Central Govt.
Information in respect of such unclaimed dividend when due for transfer to the fund is given below:

Financial Year	Date of Declaration	Date of Transfer
2008-2009	30-09-2009	06-11-2016
2009-2010	28-07-2010	03-09-2017
2010-2011	30-09-2011	06-11-2018
2011-2012	28-09-2012	03-09-2019
2012-2013	27-09-2013	03-10-2020
2013-2014	26-09-2014	03-10-2021
2014-2015	21-08-2015	25-09-2022

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 2015-2016 is also uploaded on the Company's website (www.daikaffil.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: 30th August 2016 (10.00 A.M onwards)

b) End of e-voting: 1st September 2016 (till 5.00 P.M.)

During the E-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date may cast their vote electronically. The cutoff date for the limited purpose of e-voting is 26th August, 2016. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.

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

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

In case of members receiving e-mail:

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

For Members holding shares in Demat Form and Physical Form

- PAN 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 first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
 - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

- 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.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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

AMIT PATEL
(MANAGING DIRECTOR)
(DIN: 00005232)

Registered Office:
E-4, M.I.D.C. Tarapur,
Boisar, District Palgarh
Maharashtra-401506
Date: May 13, 2016
Place: Mumbai

EXPLANATORY STATEMENT IN RESPECT OF ITEMS NOS. 5 TO 6 OF THE NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The Board of directors at their meeting held on the 13th Day of May 2016, subject to approval of members of the Company, has accorded its approval to revision in the remuneration of Mr. Amit Patel, Managing Director and Mr. Aditya Patel, Jt. Managing Director & C.F.O. (herein after referred to 'the Executive Directors') by way of payment of commission, for the remaining tenure of the both the Directors. The same was approved by the Nomination and Remuneration Committee at its meeting held on 13th Day of May 2016 and was recommended to the Board for its approval. While approving the revised remuneration of the Executive Directors, the Nomination and Remuneration Committee considered various parameters which, inter alia, includes, the scale of operations of the Company and increased involvement of Executive Directors for the overall growth of the Company and subject to the availability of profit as calculated under section 198 of Companies Act 2013 with a view to ensure objectivity in determining the remuneration package as well as maintaining a balance between interest of the Company and shareholders.

Pursuant to provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the above said revision in remuneration requires approval of members of the Company in a General Meeting by way of Ordinary Resolution. Accordingly, the resolutions set out at item nos. 5 & 6 of the notice are recommended to be passed as ordinary resolution(s).

Mr. Amit Patel and Mr. Aditya Patel are interested in the said resolutions to the extent of their shareholding. None of the others Directors are in any way concerned and interested in the aforesaid resolutions.

ANNEXURE TO ITEM 3 OF THE NOTICE

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

Name of Director	Aditya Patel
DIN	00005276
Designation	Jt. MD & C.F.O.
a) A brief resume of the Director:	
Date of Birth	06-10-1979
Date of Appointment	14-08-2012
b) Nature of his expertise in specific functional areas;	Businessman Having experience in Chemical Industry
c) Names of other companies in which he holds:	
(i) Directorship of Board	Caffil Private Limited Erca Speciality Chemicals Private Limited
(ii) Membership of the Committees of Board	--
d) No. of shares held in the Share Capital of the Company	1,04,499

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 24th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. FINANCIAL RESULT

	2015-2016	2014-2015
	(Rupees)	(Rupees)
Sales etc. and other income	27,99,21,280	34,30,70,013
Profit before Depreciation, Interest and Tax	3,66,50,232	2,77,27,908
Less: Depreciation	39,70,152	41,73,426
Interest	8,77,661	19,71,586
Profit before Tax	3,18,02,419	215,82,896
Provision for Tax		
Current Tax	(94,00,000)	(68,00,000)
Deferred Tax	(13,82,634)	2,67,307
Earlier Years	-	4,93,385
	(1,07,82,634)	(60,39,308)
Provision for Diminution in value of investment	-	(26,436)
Profit after Tax	2,10,19,785	1,55,17,152
Add: Balance Brought forward from the previous year	3,15,46,996	2,61,84,944
Profit available for Appropriation	5,25,66,781	4,17,02,096
Appropriation		
Transfer to General Reserve	25,00,000	25,00,000
Proposed Dividend	60,00,000	48,00,000
Corporate Dividend Tax thereon	12,28,800	9,83,040
Effect of revision of life of fixed assets	-	18,72,060
Balance carried forward	4,28,37,981	3,15,46,996
	5,25,66,781	4,17,02,096

2. OPERATIONS

During the year under review, your Company's Revenue from operations has declined by 20% i.e. from ₹ 34.30 crores in previous year to ₹ 27.99 crores. However, the Company has focused on the sales of Products with higher margin, which has resulted in 47% i.e. from ₹ 215.82 lacs in previous year to ₹318.02 lacs in current year.

3. DIVIDEND

The Board of Directors is pleased to recommend the dividend of ₹ 1/- per Equity share (on the face value of ₹ 10/- each) for the financial year ended 31st March, 2016.

4. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and regulation 17(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its 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, 2016, no unclaimed deposits are lying with the Company.

7. CONSOLIDATED FINANCIAL STATEMENT

The Audited Consolidated Financial Statement for the financial year ended 31st March, 2016, based on the financial statement received from associate Company, as approved by their respective Board of Directors have been prepared in accordance with Accounting Standard (AS) - 21 on 'Consolidated Financial Statement' read with AS-23 on 'Accounting for Investments in Associates', notified under the Act, read with the Accounting Standards Rules as applicable is forming part of Annual Report.

8. STATUTORY AUDITORS

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

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

9. AUDITORS REMARKS AND OBSERVATION

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

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

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

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

Conservation of Energy and Technology Absorption

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

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

Foreign Exchange Earnings and Outgo:

	(₹ in Lacs)
Foreign Exchange Earnings:	1705.09
Foreign Exchange Outgo	588.75

11. DIRECTORS:

There were no changes in Board of Directors during the financial year 2015-2016

Mr. Aditya Patel, retires by rotation at this Annual General Meetinf and being eligible offers himself for reappointment

Declaration by Independent Director(s)

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

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

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

13. **MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**
There have been no material changes / events occurring after balance sheet date till the date of the report to be stated.
14. **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEE**
During the financial year under review the Board met 4 times and Audit Committee met 4 times. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
15. **SUBSIDIARY / ASSOCIATE COMPANY**
The Company has an Associate Company namely M/s Erca Speciality Chemicals Private Limited.
16. **RELATED PARTY TRANSACTIONS:**
During the period under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of the related parties were in conflict with the Company's interest. All related party transactions are negotiated on an arm's length basis and are intended to further the Company's interest.
17. **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES**
The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. Details of the Vigil Mechanism policy are made available on the Company's website www.daikaffil.com
18. **NOMINATION AND REMUNERATION COMMITTEE**
During the financial year under review 1 (one) meeting of the Committee was held. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.
19. **DIRECTORS' RESPONSIBILITY STATEMENT**
Your Directors make the Directors' Responsibility Statement in terms of Section 134(3) (c) of the Companies Act, 2013 and confirm that—
- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
 - ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
 - iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
 - iv) The Directors have prepared the annual accounts on a going concern basis.
 - v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
 - vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
20. **PARTICULARS OF EMPLOYEES**
The Company does not have any employee whose particulars are required to be given pursuant to Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.
21. **PERSONNEL:**
Industrial relations at the Company's factory and other establishments remained cordial during the year. We appreciate the contribution made by the employees towards achieving improved productivity and flexibility in operation.
22. **ACKNOWLEDGEMENT:**
The Directors wish to place on record their appreciation for the continued support and co-operation by Government Authorities, Financial Institutions, Banks and our valued customers along with dedicated service of all the workers, staff and the officers, whose continuous support is a pillar of strength which have largely contributed to the efficient management of the Company. Suffice it to say, that your co-operation as our shareholders is hereby acknowledged with gratitude.

For and On Behalf of the Board of Director,
DAIKAFFIL CHEMICALS INDIA LIMITED

AMIT PATEL
Managing Director
(DIN: 00005232)

ADITYA PATEL
Jt. Managing Director
(DIN: 00005276)

Date: May 13, 2016
Place: Mumbai

ANNEXURES TO THE DIRECTORS' REPORT**1) EXTRACT OF THE ANNUAL RETURN**

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

2) SECRETARIAL AUDIT REPORT

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

3) CORPORATE GOVERNANCE

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

4) MANAGEMENT DISCUSSION & ANALYSIS REPORTS

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

5) DISCLOSURE ON REMUNERATION OF DIRECTORS / EMPLOYEES

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

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

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

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L24114MH1992PLC067309
2	Registration Date	19/06/1992
3	Name of the Company	DAIKAFFIL CHEMICALS INDIA LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	E-4, M.I.D.C. Tarapur, Boisar Dist Palgarh Boisar - 401506
6	Whether listed Company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Ms Link Intime India Private Limited 0-13, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078. Tel Nos. 25963838, Fax Nos. 25946969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,290,249	100	1,290,349	23.90%	1,290,249	25	1,290,274	21.50%	0.01%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	503,300	-	503,300	8.39%	503,300		503,300	8.39%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other (P A C)	143,500	-	143,500	0.00%	143,500		143,500	2.39%	0.00%
Sub Total (A) (1)	1,937,049	100	1,937,149	32.29%	1,937,049	25	1,937,074	32.28%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	1,937,049	100	1,937,149	32.29%	1,937,049	25	1,937,074	32.28%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds		1,500	1,500	0.03%		1,500	1,500	0.03%	0.00%
b) Banks / FI		7,900	7,900	0.13%		7,900	7,900	0.13%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	9,400	9,400	0.16%	-	9,400	9,400	0.16%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	324,459	4,100	328,559	5.48%	423,087	4,100	427,187	7.12%	30.02%
ii) Overseas			-	0.00%			-	0.00%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,153,115	225,550	1,378,665	22.98%	1,266,876	223,725	1,490,601	24.84%	8.12%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	959,894	109,600	1,069,494	17.82%	926,278	109,600	1,035,878	17.26%	-3.14%
c) Others (specify)									
Non Resident Indians	28,392	44,500	72,892	1.21%	42,461	44,500	86,961	1.45%	19.30%
Non Resident Indians	1,333		1,333	0.02%	1,483		1,483		
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals		749,700	749,700	12.50%		749,700	749,700	12.50%	0.00%
Clearing Members	207,808		207,808	3.46%	16,716		16,716	0.28%	-91.96%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - DR		245,000	245,000	4.08%		245,000	245,000	4.08%	0.00%
Sub-total (B)(2):-	2,675,001	1,378,450	4,053,451	67.56%	2,676,901	1,376,625	4,053,526	67.56%	0.00%
Total Public (B)	2,675,001	1,387,850	4,062,851	67.71%	2,676,901	1,386,025	4,062,926	67.72%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	4,612,050	1,387,950	6,000,000	100.00%	4,613,950	1,386,050	6,000,000	100.00%	0.00%

(ii) Shareholding of Promoter

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Patel Amit Jayant	927,450	15.46	0	927,475	15.46	0	0.00%
2	Gita Amit Patel	183,300	3.06	0	183,300	3.05	0	0.00%
3	Patel Aditya Amit	104,599	1.74	0	104,499	1.74	0	-0.10%
4	Nitin Prabhudas Bhagat	50,000	0.83	0	50,000	0.83	0	0.00%
5	Mita Bhagat	25,000	0.42	0	25,000	0.42	0	0.00%
6	Aruna Vinodchandra Merchant	60,000	1.00	0	60,000	1.00	0	0.00%
7	Padmanabh Vinodchandra Merchant	52,450	0.87	0	52,450	0.87	0	0.00%
8	Sishir Rasik Amin	30,800	0.51	0	30,800	0.51	0	0.00%
9	Surbhi Kishore Tanna	200	0.00	0	200	0.00	0	0.00%
10	Kishore Jagjivandas Tanna	50	0.00	0	50	0.00	0	0.00%
11	Caffil Pvt Ltd	503,300	8.39	0	503,300	8.39	0	0.00%

(iii) Change in Promoters' Shareholding

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares Of The Company
1	Patel Amit Jayant	927450	15.4575			927450	15.4575
	at the end of the year			25 Mar 2016	25	927475	15.4579
2	Caffil Private Limited	503300	8.3883			503300	8.3883
	at the end of the year					503300	8.3883
4	Gita Amit Patel	183300	3.0550			183300	3.0550
	at the end of the year					183300	3.0550
5	Patel Aditya Amit	104499	1.7417			104499	1.7417
	at the end of the year					104499	1.7417
6	Aruna Vinodchandra Merchant	60000	1.0000			60000	1.0000
	at the end of the year					60000	1.0000
7	Padmanabh Vinodchandra Merchant.	52450	0.8742			52450	0.8742
	at the end of the year					52450	0.8742
8	Nitin Prabhudas Bhagat	50000	0.8333			50000	0.8333
	at the end of the year					50000	0.8333
9	Sishir Rasik Amin	30800	0.5133			30800	0.5133
	at the end of the year					30900	0.5150
10	Mita Bhagat	25000	0.4167			25000	0.4167
	at the end of the year					25000	0.4167
11	Surbhi Kishore Tanna	200	0.0033			200	0.0033
	at the end of the year					200	0.0033
12	Kishore Jagjivandas Tanna	50	0.0008			50	0.0008
	at the end of the year					50	0.0008
13	Aditya A.Patel	100	0.0017			100	0.0017
	Transfer			04 Mar 2016	(70)	30	0.0005
	Transfer			25 Mar 2016	(30)	0	0.0000
	at the end of the year					0	0.0000

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

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

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

(iv) Shareholding Pattern of top ten Shareholders

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	H.G.E. Chemical Company S.A.	749700	12.4950			749700	12.4950
	At the end of the year					749700	12.4950
2	Jain Pal Jain	113025	1.8838			113025	1.8838
	Market Buy			01 Jan 2016	16615	129640	2.1607
	at the end of the year					129640	2.1607
3	Pharmasynt Formulations Ltd.	66266	1.1044			66266	1.1044
	Market Buy			09 Oct 2015	35912	102178	1.7030
	at the end of the year					102178	1.7030
4	Vijay Gupta (HUF)	99233	1.6539			99233	1.6539
	at the end of the year					99233	1.6539
5	Vijay Prakash Gupta	64340	1.0723			64340	1.0723
	at the end of the year					64340	1.0723
6	Vijit Gupta	61954	1.0326			61954	1.0326
	at the end of the year					61954	1.0326
7	Harsha Hitesh Javeri	17000	0.2833			17000	0.2833
	Market Buy			17 Apr 2015	18000	35000	0.5833
	Market Buy			12 Jun 2015	17000	52000	0.8667
	Market Buy			19 Jun 2015	7500	59500	0.9917
	at the end of the year					59500	0.9917
8	D Nageshwar Venkat Rao	51126	0.8521			51126	0.8521
	at the end of the year					51126	0.8521
9	Aayushi Gupta	43040	0.7173			43040	0.7173
	at the end of the year					43040	0.7173
10	Monika H Patel	42800	0.7133			42800	0.7133
	At the end of the year					42800	0.7133
11	BP Equities Pvt. Ltd.	180000	3.0000			180000	3.0000
	Market Buy			17 Apr 2015	1000	181000	3.0167
	Market Sell			22 May 2015	(80)	180920	3.0153
	Market Sell			29 May 2015	(96)	180824	3.0137
	Market Sell			05 Jun 2015	(749)	180075	3.0013
	Market Sell			12 Jun 2015	(14456)	165619	2.7603
	Market Sell			19 Jun 2015	(6273)	159346	2.6558
	Market Sell			26 Jun 2015	(152346)	7000	0.1167
	Market Buy			30 Jun 2015	1000	8000	0.1333

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No.of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Market Sell			03 Jul 2015	(999)	7001	0.1167
	Market Buy			10 Jul 2015	9215	16216	0.2703
	Market Sell			17 Jul 2015	(6805)	9411	0.1569
	Market Buy			24 Jul 2015	16868	26279	0.4380
	Market Sell			31 Jul 2015	(13279)	13000	0.2167
	Market Sell			07 Aug 2015	(12267)	733	0.0122
	Market Buy			14 Aug 2015	15229	15962	0.2660
	Market Sell			21 Aug 2015	(12874)	3088	0.0515
	Market Sell			28 Aug 2015	(200)	2888	0.0481
	Market Buy			23 Oct 2015	6000	8888	0.1481
	Market Buy			30 Oct 2015	4000	12888	0.2148
	Market Buy			06 Nov 2015	400	13288	0.2215
	Market Buy			13 Nov 2015	1000	14288	0.2381
	Market Buy			20 Nov 2015	1000	15288	0.2548
	Market Sell			27 Nov 2015	(1000)	14288	0.2381
	Market Sell			04 Dec 2015	(400)	13888	0.2315
	Market Sell			11 Dec 2015	(1938)	11950	0.1992
	Market Sell			18 Dec 2015	(2000)	9950	0.1658
	Market Sell			25 Dec 2015	(2888)	7062	0.1177
	Market Buy			31 Dec 2015	2000	9062	0.1510
	Market Sell			08 Jan 2016	(4000)	5062	0.0844
	Market Sell			15 Jan 2016	(62)	5000	0.0833
	Market Sell			29 Jan 2016	(2000)	3000	0.0500
	Market Buy			11 Mar 2016	151	3151	0.0525
	Market Buy			18 Mar 2016	9	3160	0.0527
	Market Sell			25 Mar 2016	(2989)	171	0.0029
	Market Buy			31 Mar 2016	14	185	0.0031
	at the end of the year					185	0.0031
12	Adroit Fin Ser Pvt Ltd	108373	1.8062			108373	1.8062
	Market Buy			17 Jul 2015	1	108374	1.8062
	Market Buy			31 Jul 2015	100	108474	1.8079
	Market Buy			14 Aug 2015	200	108674	1.8112
	Market Buy			11 Sep 2015	305	108979	1.8163
	Market Sell			30 Sep 2015	(350)	108629	1.8105
	Market Sell			09 Oct 2015	(91914)	16715	0.2786

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Market Sell			11 Dec 2015	(100)	16615	0.2769
	Market Sell			07 Jan 2016	(16615)	0	0.0000
	at the end of the year					0	0.0000
13	Dr Ramesh Chimanlal Shah	51683	0.8614			51683	0.8614
	Market Sell			10 Apr 2015	(1535)	50148	0.8358
	Market Sell			17 Apr 2015	(8465)	41683	0.6947
	Market Sell			22 May 2015	(1421)	40262	0.6710
	Market Sell			26 Jun 2015	(371)	39891	0.6649
	Market Sell			30 Jun 2015	(25)	39866	0.6644
	Market Sell			03 Jul 2015	(61)	39805	0.6634
	Market Sell			10 Jul 2015	(1201)	38604	0.6434
	Market Sell			17 Jul 2015	(5426)	33178	0.5530
	Market Sell			24 Jul 2015	(27678)	5500	0.0917
	Market Sell			23 Oct 2015	(5500)	0	0.0000
	at the end of the year					0	0.0000

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Shareholding Of Each Directors And Each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year
				No. of shares	% of total shares	No. of shares
1	Amit Patel					
	at the beginning of the year			927,450	15.46%	927,475
	changes during the year	25/03/2016	25 Shares Purchased			927,475
	at the end of the year					927,475
2	Aditya Patel					
	at the beginning of the year			104,599	1.74%	104,599
	changes during the year	04/03/2016	70 Shares Transferred			104,529
		25/03/2016	30 Shares Transferred			104,499
	at the end of the year					104,499

V. INDEBTEDNESS

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

(Amt. ₹/Lacs)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars Of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Amit Patel	Aditya Patel	
	Name	Amit Patel	Aditya Patel	
	Designation	NA	NA	
1	Gross Salary	873,559	641,585	1,515,144
	(A) Salary As Per Provisions Contained In Section 17(1) Of The Income-Tax Act, 1961	-	-	-
	(B) Value Of Perquisites U/S 17(2) Income-Tax Act, 1961		107,080	107,080
	(C) Profits In Lieu Of Salary Under Section 17(3) Income- Tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission	725,000	550,000	1,275,000
	- As % Of Profit			-
	- Others, Specify			-
5	Others, Please Specify	-	-	-
	Total (A)	1,598,559	1,298,665	2,897,224
	Ceiling As Per The Act	5% of Profit	5% of Profit	

B. Remuneration to other Directors

SN.	Particulars Of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		Sudhir Patel	Jagdish Vasa	Sunil Merchant	
1	Independent Directors				
	Fee For Attending Board Committee Meetings	95,000	97,500	50,000	242,500
	Commission				-
	Others, Please Specify				-
	Total (1)	95,000	97,500	50,000	242,500
2	Other Non-Executive Directors	Rajiv Gandhi	Maithili Siswawala		-
	Fee For Attending Board Committee Meetings	12,500	25,000		37,500
	Commission				-
	Others, Please Specify				-
	Total (2)	12,500	25,000	-	37,500
	Total (B)=(1+2)	107,500	122,500	50,000	280,000
	Total Managerial Remuneration				3,177,224
	Overall Ceiling As Per The Act				

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

SN.	Particulars Of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Amita Vishwakarma			
	Designation				
1	Gross Salary	300,003.00			300,003.00
	(A) Salary As Per Provisions Contained In Section 17(1) Of The Income-Tax Act, 1961	-	-	-	-
	(B) Value Of Perquisites U/S 17(2) Income-Tax Act, 1961				-
	(C) Profits In Lieu Of Salary Under Section 17(3) Income- Tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- As % Of Profit				-
	- Others, Specify				-
5	Others, Please Specify				-
	Total	300,003	-	-	300,003

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 of Director,
DAIKAFFIL CHEMICALS INDIA LIMITED

AMIT PATEL
Managing Director
(DIN: 00005232)

ADITYA PATEL
Jt. Managing Director
(DIN: 00005276)

Date: May 13, 2016
Place: Mumbai

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To,
The Members,
Daikaffil Chemicals India Limited
Mumbai
Dear Sirs,

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

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

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

- i. Factories Act, 1960.
- ii. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis related to Salary & Wages, Bonus, Gratuity, Provident Fund, ESIC, Compensation and Benefits etc.
- iii. Labour Welfare Act of the Central and respective states.
- iv. Acts prescribed under Direct Tax and Indirect Tax Laws by the Central and respective State Governments.
- v. Land Revenue Laws of respective states.
- vi. Local laws as applicable to various offices and Premises of the Company.
- vii. Environment Protection Act, 1986 and other environmental laws.

- viii. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003.
- ix. Industrial Disputes Act, 1947.
- x. Indian Stamp Act, 1999
- xi. Indian Contract Act, 1872
- xii. Negotiable Instruments Act, 1881

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

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

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

Dinesh Kumar Deora
Practising Company Secretary
FCS NO. 5683
C P NO. 4119

Place: Mumbai
Date: 10 May 2016

ANNEXURE A

To,
The Members,
Daikaffil Chemicals India Limited
Mumbai

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

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

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

Place: Mumbai
Date: 10 May 2016

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, 2016 are hereunder divided into the following areas:-

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

II. BOARD OF DIRECTORS:

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

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

(a) Composition of the Board

The Board of Directors has optimum combination of Executive and Non Executive Director Including a Women Director. The Chairman of the Board of Directors is a Non Executive Independent Director and one third of the Board consist Independent Director which is equal to the requirement as stipulated in Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Board consists of seven Directors out of which 3 are the Independent Directors, 2 are the Non Executives Directors, and 2 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.

Sr No.	Name of Director	Category	Designation
1.	Mr. Sudhir Patel	Non Executive Independent	Chairman
2.	Mr. Amit Patel	Promoter Executive	Managing Director
3.	Mr. Aditya Patel	Promoter Executive	Jt. MD and CFO
4.	Mr. Jagdish Vasa	Non Executive Independent	Independent Director
5.	Dr. Giuseppe Seccomandi	Non Executive	Director
6.	Mr. Hiroshige Tanaka	Non Executive Independent	Independent Director
7.	Mrs. Maithili Sisawala	Non Executive (Woman Director)	Director

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

During the financial year 2014-15, the Board met four times on 29th May 2015, 12th August 2015, 3rd November 2015, and 9th February 2016. There was a gap of not more than 120 days between two consecutive meetings.

The Meetings were attended as follows.

Sr No.	Name of Director	No. of Board Meeting Attended			
		29.5.2015	12.8.2015	03.11.2015	9.02.2016
1.	Mr. Sudhir Patel	✓	✓	✓	✓
2.	Mr. Amit Patel	✓	✓	✓	✓
3.	Mr. Aditya Patel	✓	✓	✓	✓
4.	Mr. Jagdish Vasa	✓	✓	✓	✓
5.	Dr. Giuseppe Seccomandi	*✓	*✓	*✓	*✓
6.	Mr. Hiroshige Tanaka	AB	*✓	AB	AB
7.	Mr. Sunil Merchant	✓	✓	✓	✓
8.	Mr. Rajiv Gandhi	AB	✓	AB	AB
9.	Mrs. Maithili Siswawala	✓	AB	✓	AB

*Meetings were attended by their Alternate Directors

Mr. Amit Patel and Mr. Aditya Patel attended the last Annual General Meeting held on 21st August, 2015.

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

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

III. AUDIT COMMITTEE:

The Audit Committee of the Board of Directors of the Company, inter-alia, provides an assurance to the Board on the adequacy of internal control systems and financial disclosures and scope of audit and also provides timely observation and review of financial statement before their submission and also discuss related issues with the internal and statutory auditors and the management of the Company. The scope of the Audit Committee is in accordance with and as specified in 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;

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

ii. Composition of the Audit Committee

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

Sr No.	Name of Director	Category	29.05.2015	12.08.2015	03.11.2015	09.02.2016
1.	Mr. Sudhir Patel	Chairman	✓	✓	✓	✓
2.	Mr. Aditya Patel	Member	✓	✓	✓	✓
3.	Mr. Jagdish Vasa	Member	✓	✓	✓	✓

IV. NOMINATION AND REMUNERATION COMMITTEE:

(i) Brief description of terms of reference includes.

The terms and reference includes the following:

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

(ii) Composition of the Committee

The Committee at present comprises of three Independent Directors. The composition of Audit Committee is as follows:

Sr No.	Name of Director	Category	No. of Board Meeting Attended
			29.05.2015
1.	Mr. Jagdish Vasa	Chairman	✓
2.	Mr. Sudhir Patel	Member	✓
3.	Mr. Hiroshige Tanaka	Member	*✓
4.	Mr. Sunil Merchant (Alternate to Hiroshige Tanaka)	Member	✓

**Meetings was attended by his Alternate Director*

(iii) Remuneration Policy

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

(iv) Details of Remuneration to all Directors

The remuneration of Managing/Whole-time Directors as decided on the recommendation of the Nomination and Remuneration and approved by the Board of Directors and shareholders. The remuneration of managing/ Whole-time Directors comprises of salary and perquisites for the financial year 2015-16 are as under:

Name	Salary (₹)	Perquisites (₹)	Commission(₹)	Total (₹)
Mr. Amit Patel	8,73,559	-	7,25,000	15,98,559
Mr. Aditya Patel	6,41,585	1,07,080	5,50,000	12,98,665

The sitting fees paid to them for the financial year 2015-16. During the year the sitting fees were increased from ₹10,000 to ₹15,000/- for attending each Meeting of the Board, and from ₹10,000 to ₹12,500/- for attending Audit Committee Meeting, and ₹ 2,500/- for both Nomination & Remuneration Committee and Stakeholder Relationship Committee Meeting. The total amount

of sitting fees paid during the year was ₹2,80,000/-. 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 01.04.2015 to 31.03.2016 (₹)
Mr. Sudhir Patel	95000
Mr. Jagdish Vasa	97500
Mr. Sunil Merchant	50000
Mr. Rajiv Gandhi	12500
Mrs. Maithili Siswawala	25000

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee approves, transfer /transmission/ transposition/ consolidations/ splitting, issue of duplicate certificates, allotment of shares and debentures, shareholders grievances pertaining to non receipt of transferred share certificates, non receipt of balance sheet and non receipt of dividend / interest warrant etc. and expedite the process of share transfers, the Board of the Company shall delegate the power of share transfer to an officer or a committee or to the registrar and share transfer agents.

(i) Non - Executive Director heading the Committee

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

(ii) Name and Designation of Compliance Officer

Ms. Amita Vishwakarma, Company Secretary acts as the Compliance Officer for ensuring compliance with the requirements of listing agreement with the Stock Exchange and SEBI Regulations as amended from time to time.

The Company Secretary can be contacted at

*52, Nariman Bhavan, Nariman Point, Mumbai – 400 021
(022-61016612 : cs.amita@daikaffil.com)

(iii) No. of Shareholders' Complaints received so far

The Company has approximately 3407 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 2015-16	Resolved during the year 2015-16	Pending at the Year End
-	26	26	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
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. Thane, Maharashtra-401506
23rd	FRIDAY	21.08.2015	10.00 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Palgarh, Maharashtra-401506

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

- (iii) No Special Resolution was passed last year through postal ballot.
- (iv) No Special Resolution is proposed to be conducted through postal ballot.

VII. DISCLOSURES:

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

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

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

VIII. MEANS OF COMMUNICATION:

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

IX. GENERAL SHAREHOLDER INFORMATION:

(a)	AGM to be held	The 24th Annual General Meeting will be held on Friday the 2nd Day of September, 2016 at 10.00 A.M. at E-4, M.I.D.C. TARAPUR, BOISAR DIST PALGHAR - 401506
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(b)	Financial calendar Annual General Meeting First Quarterly Results: Second Quarterly Results Third Quarterly Results: Audited yearly Results for the year ended 31st March 2017	2nd Day of September, 2016 Before end of 15th August, 2016 Before end of 15th November, 2016 Before end of 15th February, 2017 Before end of May, 2017	
(c)	Dividend payment date	On or after 6th September, 2016 to those members whose names stand registered on the Company's Register of Members as on 2nd September, 2016.	
(d)	The name and address of stock exchange(s) at which the listed Entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra 400001 Annual listing fees was paid on 28th April 2016	
(e)	Stock code	Physical: 30825 Demat: 530825	
(f)	Market price data- high, low during each month in last financial year		
Period	BSE		
	High (₹)	Low (₹)	Volume (Nos.)
Apr-15	32.00	21.60	214,094
May-15	29.15	20.10	38,202
Jun-15	25.80	21.20	60,444
Jul-15	32.80	22.35	518,192
Aug-15	31.70	18.10	189,241
Sep-15	26.35	19.35	42,142
Oct-15	33.30	22.50	140,044
Nov-15	35.00	25.15	203,668
Dec-15	43.95	31.00	300,144
Jan-16	41.25	28.75	158,406
Feb-16	35.95	23.25	60,129
Mar-16	33.95	24.00	54,152
(g)	Performance in comparison to broad-based indices with BSE Sensex		
(h)	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 ☎ (022-25963838, Fax: 022 - 25946969) 📧 rnt.helpdesk@linkintime.co.in	

(i) Distribution of Shareholding

No of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	2685	78.8083	447716	7.4619
501-1000	323	9.4805	282268	4.7045
1001-2000	173	5.0778	270235	4.5039
2001-3000	73	2.1426	187879	3.1313
3001-4000	32	0.9392	115154	1.9192
4001-5000	26	0.7631	124679	2.0780
5001-10000	38	1.1154	278059	4.6343
10001 & above	57	1.6730	4294010	71.5668
Grand Total	3407	100.0000	60000000	100.0000

(j)	Dematerialization of Shares and Liquidity	The Company's equity shares are included In the list of companies whose scrips have been mandate 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
(k)	Plant Locations	The Company has a single plant located at Plot No. E/4, MIDC, Tarapur, Dist. Palghar, Maharashtra
(l)	Address for correspondence	✉ 52, Nariman Bhavan, Nariman Point, Mumbai – 400 021 (022-6106600 - 12 📧 info@daikaffil.com

For and On Behalf of the Board of Director,
DAIKAFFIL CHEMICALS INDIA LIMITED

Date: May 13, 2016
Place: Mumbai

AMIT PATEL
Managing Director
(DIN: 00005232)

ADITYA PATEL
Jt. Managing Director
(DIN: 00005276)

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, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per relevant provisions of the Securities and Exchange Board of India ('Listing Obligations and Disclosure Requirements') Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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 / Listing Regulations, as applicable.

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

Date: May 13, 2016
Place: Mumbai

MANISH PATEL
Proprietor
Membership No.107367

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of Schedule V under Regulation 19(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board of Directors and the Senior Management personnel have affirmed Compliance with the Code of Conduct and Ethics or the year ended March 31, 2016.

For DAIKAFFIL CHEMICALS INDIA LIMITED

Date: May 13, 2016
Place: Mumbai

AMIT PATEL
Managing Director
DIN: 00005232

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

The Indian economy has consolidated the gains achieved in restoring macroeconomic stability from the beginning of last fiscal year. Economic growth is showing signs of steady recovery. According to IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow at 7-7.75 per cent during FY 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will be growing by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years.

INDUSTRY STRUCTURE & DEVELOPMENT

The Chemical Industry is essential for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy. The Chemical Industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the GDP. In terms of volume, India is third largest producer of chemicals in Asia, after China and Japan and sixth largest in the world.

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

FINANCIAL AND OPERATIONAL PERFORMANCE

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

	F.Y. 2015-16	F.Y. 2014-15
Sales Growth [%]	(-)20%	3%
Domestic Sales Growth [%]	(-)17%	31%
Export Sales Growth [%]	(-)23%	(-) 8%
PBDIT [% to sales]	13.09%	8.04%
PAT [% to sales]	7.50%	4.50%
Earnings per share [₹]	3.50%	2.59%

Your Company's total sales revenue for the year comprises domestic sales of ₹ 10.39 Crores [P.Y. 12.53 Crores] and export sales of ₹ 17.05 Crores [P.Y. ₹ 21.92 Crores].

PRODUCT WISE PERFORMANCE AND ITS OUTLOOK

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

Optical brighteners

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

Naphthol

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

The Company is very optimistic about Naphthol grounders because of its Japanese quality. The entire range of Naphthol grounders are being consumed by MNCs. and its printing Ink manufacturers in Japan. The demand of the product has been rising rapidly in Europe & Japan. Looking at the product portfolio and demand in international market the Company foresee a wide scope of the business in near future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

RISKS AND CONCERNS

The Company foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have a significant impact on revenue and profitability. We evaluate exchange rate exposure arising from these transactions and enter into foreign exchange instruments to mitigate risks arising out of movements in the rupee (INR). The Company have an appropriate internal control for monitoring the Forwards and future contracts. The Company has not faced any significant negative impact on profitability on account of currency fluctuation in financial year 2015-2016). (Note: The Company has earned profit of 13% from the foreign currency exchange as compare to the loss of 9% in the previous year)

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

OPPORTUNITIES AND THREATS

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

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATION

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

The total numbers of person employed in your Company as on 31st March, 2016 were 69.

For and On Behalf of the Board of Director,
DAIKAFFIL CHEMICALS INDIA LIMITED

AMIT PATEL
Managing Director
(DIN: 00005232)

ADITYA PATEL
Jt. Managing Director
(DIN: 00005276)

Date: May 13, 2016
Place: Mumbai

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			
Amit Patel	873,559	4.62:1	189,240
Aditya Patel	748,665	3.95:1	189,240
Non-Executive Directors			
Mr. Sudhir Patel	95,000	0.50:1	189,240
Mr. Jagdish Vasa	97,500	0.52:1	189,240
Mr. Sunil Merchant	50,000	0.26:1	189,240
Mr. Rajiv Gandhi	12,500	0.07:1	189,240
Mrs. Maithili Siswawala	25,000	0.13:1	189,240

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

Managing Director	Nil
Chief Financial Officer	Nil
Company Secretary	Nil

- (c) the percentage increase in the median remuneration of employees in the financial year, N.A.

- (d) the number of permanent employees on the rolls of Company: 69

- (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	2015-2016	2014-2015	Increment in %
Sishir Amin		Nil	15,84,438	N.A
Amit Patel Managing Director	#Salary	8,73,559	9,19,025	N.A
	Commission	7,25,000		
Aditya Patel Jt. MD & CFO	#Salary	7,48,665	*4,62,206	N.A
	Commission	5,50,000		
Amita Vishwakarma Company Secretary	Salary	3,00,003	2,39,590	N.A
	Total	31,97,227	32,05,259	N.A
Remuneration of Key Managerial Personnel (KMP) during financial year 2015-16 (aggregated)				31,97,227
Profit before tax (PBT)				3,18,02,419
Remuneration (as % of PBT)				10.05

* During the year 2014—2015, there was a increment of 61% in the remuneration of Mr. Aditya Patel

In addition to above salary Mr. Amit Patel & Mr. Aditya Patel be paid commission, as decided by the Board of Directors in their Meeting held on 13th May 2016 , computed in the manner laid down in Section 197 of the Companies Act, 2013. The commission payable will be subjected to the approval of the shareholders at this AGM.

- (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**

	2015-2016	2014-2015	Performance	
Total Revenue	27,99,21,280	34,30,70,013	Decrease	(-)18%
PBT	3,18,02,419	2,15,56,460	Increase	48%
PAT	2,10,19,785	1,55,17,152	Increase	35%
Earnings Per Share	3.50	2.59	Increase	35%

- (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 of Director,
DAIKAFFIL CHEMICALS INDIA LIMITED

AMIT PATEL
Managing Director
(DIN: 00005232)

ADITYA PATEL
Jt. Managing Director
(DIN: 00005276)

Date: May 13, 2016
Place: Mumbai

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company

Part “B”: Associates and Joint Ventures

A.	ERCA SPECIALITY CHEMICALS PRIVATE LIMITED	
Sl. No.	Particulars	Details
1.	Latest audited Balance Sheet Date	31-03-2016
2.	Shares of Associate/Joint Ventures held by the Company on the year end	
	i. No.	2,64,666
	ii. Amount of Investment in Associates/Joint Venture (in ₹)	26,46,660.00
	iii. Extend of Holding%	25%
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	N.A.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet (in ₹)	605,692.00
6.	Profit/Loss for the year	
	i. Considered in Consolidation (in ₹)	25,262.00
	ii. Not Considered in Consolidation	N.A.

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

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

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

For and On Behalf of the Board of Director,
DAIKAFFIL CHEMICALS INDIA LIMITED

AMIT PATEL
Managing Director
(DIN: 00005232)

ADITYA PATEL
Jt. Managing Director
(DIN: 00005276)

Date: May 13, 2016
Place: Mumbai

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

We have audited the accompanying standalone financial statements of Daikaffil Chemicals India Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards Specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes Maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- 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 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules 2014 in our opinion and to best of our information and according to the explanation given to us :
 - a. The company has disclosed the impact of pending litigation on its financial position in its standalone financial statement.
 - b. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
 - c. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

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

MANISH PATEL
Proprietor
Membership No.107367

Mumbai: 13th May, 2016

ANNEXURE A TO THE AUDITORS REPORT

ADDITIONAL INFORMATION ANNEXED THE INDEPENDENT AUDITORS' REPORT

1.
 - a. Records showing full particulars including quantitative details and situation of fixed assets have not been adequately maintained by the Company.
 - b. As explained to us, the fixed assets have been physically verified by the management once during the year and in our opinion the frequency of verification is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. During the year the Company has not disposed off any substantial / major part of fixed assets.
 - d. According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immoveable properties are held in the company's name.
2. As per information and explanations given to us, the inventories have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the size of the Company and the same have been properly dealt with in the books of account.
3. The Company has not granted / taken any loans, secured or unsecured to / from Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of section 185 & 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
5. The Company has not accepted any deposits during the year from the public within the meaning of provisions of the Companies Act, 2013 and rules made there under.

6. As informed to us, the Central Government has not prescribed maintenance of Cost Records under sub section (1) of section 148 of the Act.
7.
 - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities.
 - b. According to the information and explanation given to us and the records of the Company examined by us, there are no disputed amounts in case of dues of sales tax/income tax/custom duty/wealth tax/excise duty/cess.
8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions and debenture holders.
9. The Company did not raise any moneys by way of initial /further public offer during the year. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they have been obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 & 188 of the Act and details of such transactions have been disclosed in the financial statements as per applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.

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

MANISH PATEL
Proprietor
Membership No.107367

Mumbai: 13th May, 2016

ANNEXURE B TO THE AUDITORS REPORT

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

We have audited the internal financial controls over financial reporting of Daikaffil Chemicals India Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparations of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

MANISH PATEL
Proprietor
Membership No.107367

Mumbai: 13th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016.

				(Rupees)	
	Note		As at 31/03/2016		As at 31/03/2015
A		EQUITY AND LIABILITIES			
1		Shareholders' funds			
		(a) Share capital	2	60,000,000	60,000,000
		(b) Reserves and surplus	3	<u>65,970,001</u>	<u>125,970,001</u>
				52,179,016	112,179,016
2		Non-current liabilities			
		(a) Deferred tax liabilities (net)	4	4,922,102	3,539,468
		(b) Long-term provisions	5	<u>686,286</u>	<u>5,608,388</u>
				510,669	4,050,137
3		Current liabilities			
		(a) Short-term borrowings	6	7,068,932	18,875,287
		(b) Trade payables	7	34,145,133	53,564,134
		(c) Other current liabilities	8	8,698,161	4,942,465
		(d) Short-term provisions	9	<u>7,228,800</u>	<u>57,141,026</u>
				5,783,040	83,164,926
		TOTAL		<u>188,719,415</u>	<u>199,394,079</u>
B		ASSETS			
1		Non-current assets			
		(a) Fixed assets	10		
		(i) Tangible assets		53,350,083	53,675,796
		(ii) Capital work-in-progress		<u>411,211</u>	<u>14,020</u>
				53,761,294	53,689,816
		(b) Non-current investments	11	2,454,950	957,350
		(c) Long-term loans and advances	12	<u>1,484,679</u>	<u>1,542,409</u>
				57,700,923	56,189,575
2		Current assets			
		(a) Inventories	13	40,155,109	44,346,726
		(b) Trade receivables	14	70,209,521	68,111,273
		(c) Cash and cash equivalents	15	11,130,965	15,070,876
		(d) Short-term loans and advances	16	5,490,488	10,180,891
		(e) Other current assets	17	<u>4,032,409</u>	<u>131,018,492</u>
				5,494,738	143,204,504
		TOTAL		<u>188,719,415</u>	<u>199,394,079</u>

The Notes form an Integral part of these Financial statements

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

MANISH PATEL
Proprietor
Membership No. 107367
Mumbai: May 13, 2016

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note		Year ended 31/03/2016	Year ended 31/03/2015
(Rupees)				
Revenue from operations (gross)	18	295,191,533	371,745,251	
Less: Excise duty		<u>20,774,000</u>	<u>27,229,935</u>	
Revenue from operations (net)			274,417,533	344,515,316
Other income	19		<u>5,503,747</u>	<u>(1,445,303)</u>
Total revenue			279,921,280	343,070,013
Expenses				
(a) Cost of materials consumed	20	165,044,792	226,704,311	
(b) Purchase of stock-in-trade	21	4,996,880	3,311,447	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	9,114,800	(619,189)	
(d) Employee benefit expense	23	22,961,924	21,823,742	
(e) Finance costs	24	963,612	2,087,886	
(f) Depreciation and amortisation expense	10	3,970,152	4,173,426	
(g) Other expenses	25	<u>41,066,701</u>	<u>64,005,494</u>	
Total expenses			<u>248,118,861</u>	<u>321,487,117</u>
Profit before exceptional and extraordinary items and tax			31,802,419	21,582,896
Exceptional items :-				
Provision for Dimunition in value of investment	11	-	(26,436)	
			<u>-</u>	<u>(26,436)</u>
Profit before extraordinary items and tax			31,802,419	21,556,460
Extraordinary items			<u>-</u>	<u>-</u>
Profit before tax	-		31,802,419	21,556,460
Tax Expense :				
Current Tax		(9,400,000)	(6,800,000)	
Deferred Tax	5	(1,382,634)	267,307	
Earlier Years		<u>-</u>	<u>493,385</u>	
			<u>(10,782,634)</u>	<u>(6,039,308)</u>
Profit for the year			<u>21,019,785</u>	<u>15,517,152</u>
Earnings per Equity Share				
[Face Value of ₹ 10 per Equity share]				
Basic and Diluted earning per share (₹)]			3.50	2.59

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

MANISH PATEL

Proprietor

Membership No. 107367

Mumbai: May 13, 2016

For and on behalf of the Board of Directors

AMIT PATEL

Managing Director

(DIN : 00005232)

JAGDISH VASA

Director

(DIN : 00170466)

ADITYA PATEL

Chief Financial Officer

(DIN : 00005276)

AMITA VISHWAKARMA

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

			(Rupees)
	2015-2016		2014-2015
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and extraordinary items	31,802,419		21,582,896
ADJUSTMENTS FOR :			
Depreciation	3,970,152		4,173,426
Interest Paid	877,661		1,971,586
Loss/(Profit) on Sale of Fixed asset	(116,225)	4,731,588	145,326
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES.	36,534,007		27,873,234
ADJUSTMENTS FOR :			
Trade and other Receivables	4,112,216		17,036,399
Taxes	(31,042)		3,218,884
Inventories	4,191,617		10,463,122
Trade payable and others	(15,487,688)		(25,327,548)
Repayment of Short Term Borrowings	(11,806,355)	(19,021,252)	(4,502,058)
Cash Generated from Operations	17,512,755		28,762,033
Interest paid	(877,661)		(1,971,586)
Direct Taxes paid	(9,368,958)	(10,246,619)	(9,525,499)
Cash flow before extraordinary items.	7,266,136		17,264,948
Extraordinary Items	-		-
NET CASH FROM OPERATING ACTIVITIES (A)	7,266,136		17,264,948
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (Including Capital WIP)	(4,067,311)		(5,316,085)
Purchase of investments	(1,497,600)		(374,700)
Sale of Fixed Assets	141,905	(5,423,006)	555,554
NET CASH USED IN INVESTING ACTIVITIES (B)	(5,423,006)		(5,135,231)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Long Term Loan	-		(319,388)
Increase in Paid-up Capital	-		-
Dividends paid	(5,783,040)	(5,783,040)	(5,615,760)
NET CASH FROM FINANCING ACTIVITIES (C)	(5,783,040)		(5,935,148)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(3,939,910)		6,194,569
CASH & CASH EQUIVALENTS:	(3,939,910)		6,194,569
Opening Balance at Beginning of the year	15,070,876		8,876,307
Closing Balance at the End of the year	11,130,966		15,070,876
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	(3,939,910)		6,194,569

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

MANISH PATEL

Proprietor

Membership No. 107367

Mumbai: May 13, 2016

For and on behalf of the Board of Directors

AMIT PATEL

Managing Director

(DIN : 00005232)

JAGDISH VASA

Director

(DIN : 00170466)

ADITYA PATEL

Chief Financial Officer

(DIN : 00005276)

AMITA VISHWAKARMA

Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

CORPORATE PROFILE:

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

Note 1. SIGNIFICANT ACCOUNTING POLICIES:**1) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS :**

The financial statements are prepared under historical cost convention on an accrual basis and are generally in accordance with the requirements of the Companies Act, 2013 and the accounting principles generally accepted in India and comply with the Accounting Standards notified by the Companies (Accounting standards) Rules, 2014.

2) Current non-current classification

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

Assets

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

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

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

All other assets are classified as non-current

Liabilities

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

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

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

3) FIXED ASSETS :

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

4) DEPRECIATION :

- a) Depreciation on fixed assets is provided on straight line method based on useful life of the assets at the rates and in the manner laid down in Schedule II to the Companies Act, 2013.
- b) Depreciation on assets acquired / purchased during the year has been provided on pro rata basis according to the period each asset was put to use during the year.

5) IMPAIRMENT OF ASSETS

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

6) FOREIGN CURRENCY TRANSACTIONS.

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

7) INVESTMENTS :

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

8) INVENTORIES :

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

9) REVENUE RECOGNITION :

a) Sale of goods:

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

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

c) Export Incentives are accounted on accrual basis.

10) RETIREMENT AND OTHER EMPLOYEE BENEFITS :

a) Defined Contribution Plan:

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

b) Defined Benefit plan:

i) Gratuity Plan:

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

ii) Leave encashment :

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

11) TAXES ON INCOME :

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

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

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

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

12) CONTINGENT LIABILITIES:

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	As at 31/03/2016	As at 31/03/2015
Note 2: Share Capital		
a) Authorised		
65,00,000 (65,00,000) Equity Shares of ₹10/ – Each.	<u>65,000,000</u>	<u>65,000,000</u>
b) Issued,subscribed and Paid up :	60,000,000	60,000,000
60,00,000 (60,00,000) Equity Shares of ₹10/ – Each.	<u>60,000,000</u>	<u>60,000,000</u>

c) Reconciliation of number of Equity Shares :

Particulars	As at 31/03/2016		As at 31/03/2015	
	No. of Shares	Value (Rupees)	No. of Shares	Value (Rupees)
Balance at the beginning of the year	6,000,000	60,000,000	6,000,000	60,000,000
Add: Shares Issued during the year	–	–	–	–
Balance at the end of the year	6,000,000	60,000,000	6,000,000	60,000,000

d) Terms/ Rights attached to the Shares :

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

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

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

Name of the Shareholders	As at 31/03/2016		As at 31/03/2015	
	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
1 Amit Patel	927,450	15.46%	927,450	15.46%
2 Caffil Private Ltd.,	503,300	8.39%	503,300	8.39%
3 H.G.E. Chemical Company S.A. (Luxembourg)	749,700	12.50%	749,700	12.50%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	As at 31/03/2016		As at 31/03/2015
Note 3 : Reserves and Surplus			
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	14,700,000	12,200,000	
Add : Transferred from surplus	<u>2,500,000</u>	<u>2,500,000</u>	
	17,200,000		14,700,000
Surplus in Statement of Profit and Loss			
Balance at the beginning of the year	31,546,996	26,184,944	
Add : During the year	<u>21,019,785</u>	<u>15,517,152</u>	
	52,566,781	41,702,096	
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)	
Proposed Dividend	(6,000,000)	(4,800,000)	
Corporate Dividend Tax Thereon	<u>(1,228,800)</u>	<u>(983,040)</u>	
	42,837,981		31,546,996
	<u>65,970,001</u>		<u>52,179,016</u>
	As at 31/03/2016	Charge/ (credit) during the year	As at 31/03/2015
Note 4 : Deferred Tax Liabilities (Net)			
Deferred Tax Liabilities:			
on account of timing difference in depreciation	5,107,785	685,547	4,422,238
Allowance U/s. 43(B) on Payment Basis	—	—	—
Sub-Total	<u>5,107,785</u>	<u>685,547</u>	<u>4,422,238</u>
Deferred Tax Assets:			
on account of Employee Cost / Benefits	(43,593)	(360,092)	316,499
on account of Allowances / disallowances Under Income Tax Act, 1961	<u>229,276</u>	<u>(336,995)</u>	<u>566,271</u>
Sub-Total	<u>185,683</u>	<u>(697,087)</u>	<u>882,770</u>
Net Deferred tax liability	<u>4,922,102</u>	<u>1,382,634</u>	<u>3,539,468</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	As at 31/03/2016	As at 31/03/2015
Note 5 : Long Term Provisions		
Employees benefits :-		
Provision for Leave Encashment	686,286	510,669
	<u>686,286</u>	<u>510,669</u>
Note 6 Short – Term Borrowings		
Secured Loan #		
From Bank		
– Cash Credit	2,037,667	–
– Export Packing Credit	5,031,265	18,875,287
	<u>7,068,932</u>	<u>18,875,287</u>
# Secured against hypothecation of Stock in Trade, Book Debts, Plant and Machinery, Other Fixed Assets and Mortgage by Deposit of Title Deeds of Leasehold Land.		
Note 7 : Trade Payables		
Due to Micro, Small and Medium Enterprises *	70,032	17,706
Due to creditors other than Micro, Small and Medium Enterprises	34,075,101	53,546,428
	<u>34,145,133</u>	<u>53,564,134</u>
* Based on the information available with the Company in respect of Micro, Small & Medium Enterprises (as defined in 'The Micro, Small & Medium Enterprises, Development Act, 2006'). The Company is generally regular in making payments of dues to such enterprises.		
Note 8 : Other Current Liabilities		
Other Liabilities	2,200,310	727,470
Liability Towards Employees	3,893,699	2,468,693
Statutory Liabilities	1,006,798	155,388
Unpaid Dividend #	1,382,954	1,365,799
Trade Deposit and Advance	214,400	225,115
	<u>8,698,161</u>	<u>4,942,465</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 9 : Short Term Provisions		
Provision for Dividend	6,000,000	4,800,000
Provision for Corporate Dividend Tax	1,228,800	983,040
Provision for Income Tax	16,200,000	6,800,000
Less : Advance Tax / TDS	<u>17,734,584</u>	<u>8,365,626</u>
	(1,534,584)	(1,565,626)
Less Refer Note 17	<u>(1,534,584)</u>	<u>(1,565,626)</u>
	<u>7,228,800</u>	<u>5,783,040</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

Note 10

FIXED ASSETS

Name of the Assets	Gross Block					Depreciation			Net Block	
	As at 31/03/2015	Additions	Deductions	As at 31/03/2016	Provided Upto 31/03/2015	Provided this year	Adjustment/ Deduction during the year	As at 31/03/2016	As at 31/03/2016	As at 31/03/2015
LAND (LEASEHOLD)	3,900,000	–		3,900,000	–	–	–	–	3,900,000	3,900,000
FACTORY BUILDING	23,770,831	3,591		23,774,422	11,044,074	794,039	–	11,838,113	11,936,309	12,726,757
FLAT	319,031	–		319,031	100,443	5,200	–	105,643	213,388	218,588
PLANT & MACHINERY	99,034,595	2,715,866		101,750,461	65,846,223	2,101,854	–	67,948,078	33,802,383	33,188,372
ELECTRICAL INSTALLATIONS	5,863,359	16,536		5,879,895	4,709,394	391,549	–	5,100,943	778,952	1,153,965
LABORATORY EQUIPMENT	1,591,726	–	–	1,591,726	758,539	199,179	–	957,718	634,008	833,187
OFFICE EQUIPMENTS	1,432,662	87,682	5,000	1,515,344	909,712	152,287	(5,000)	1,056,999	458,345	522,950
FURNITURE & FIXTURES	1,812,744	–		1,812,744	794,953	198,084	–	993,037	819,707	1,017,791
COMPUTER	1,135,671	206,981	16,190	1,326,462	1,045,627	54,905	(14,652)	1,085,880	240,582	90,044
VEHICLES	501,127	639,463	501,127	639,463	476,985	73,054	(476,985)	73,054	566,409	24,142
Total	139,361,746	3,670,119	522,317	142,509,548	85,685,950	3,970,152	(496,637)	89,159,465	53,350,083	53,675,796
Previous year	135,048,691	5,336,567	1,023,512	139,361,746	79,963,096	4,173,426	1,549,426	85,685,950		
Capital Work-in-Progress									411,211	14,020
									53,761,294	53,689,816

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

**As at
31/03/2016**

**As at
31/03/2015**

Note 11 : Non Current Investments

Long-term

Unquoted and non trade

Investment in 264666(264666) Equity shares of face value ₹10/
– each of Erca Speciality Chemicals Pvt. Ltd.,

2,646,600

2,646,600

Less: Provision for Dimunition in the value of investment

2,063,950

2,063,950

582,650

582,650

Investment in 13193 (3747) shares of face value ₹100/ – each
of and Premium of ₹ 58.54 (₹ Nil) per share of 9446 shares of
Tarapur Environment Protection Society Ltd.

1,872,300

374,700

2,454,950

957,350

Note 12 : Long Term Loans and Advances

Unsecured and Considered Good

A Security Deposits

664,035

664,035

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

763,055

612,053

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

57,589

266,321

1,484,679

1,542,409

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	As at 31/03/2016	As at 31/03/2015
Note 13 : Inventories – As certified by Management		
Valued at Lower of Cost or Net Realizable Value :		
Raw Materials	21,040,677	16,118,315
Work-in – Progress	14,504,683	17,986,110
Finished Goods	3,841,714	9,156,265
Stock-in-Trade	240,037	558,859
Valued at Cost :		
Stores and Spares.	247,748	166,417
Packing Materials	280,250	360,760
	40,155,109	44,346,726
Note 14 :Trade Receivables		
<i>Unsecured and Considered Good</i>		
Outstanding for a period exceeding six months from the date they are due for payment	420,743	823,767
Other Trade Receivables	69,788,778	67,287,506
	70,209,521	68,111,273
Note 15 :Cash and Bank Balances		
A Cash and Cash Equivalents :		
Cash on hand	149,770	240,549
Balances with Banks in current accounts	8,446,217	11,578,365
	8,595,987	11,818,914
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.	1,152,024	1,886,163
Earmarked balances with bank for Unpaid Dividends	1,382,954	1,365,799
	2,534,978	3,251,962
Total	11,130,965	15,070,876
Note 16 : Short – Term Loans and Advances		
<i>Unsecured and Considered Good</i>		
Prepaid Expenses	415,424	405,704
Cenvat Credit Receivable	2,781,046	2,624,529
Loans to Employees	103,000	124,600
Balances with Government Authorities	1,798,662	6,222,039
Advances to Suppliers	392,356	304,819
Advance towards purchase of Shares of Tarapur Environment Protection Society	–	499,200
	5,490,488	10,180,891

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	As at 31/03/2016	As at 31/03/2015
Note 17 : Other Current Assets		
<i>Unsecured and Considered Good</i>		
Interest Accrued on Investments/Deposits	60,429	60,917
For others		
For Advance Tax / TDS	17,734,584	8,365,626
Less : Provision for Income Tax	<u>16,200,000</u>	<u>6,800,000</u>
	1,534,584	1,565,626
Less Refer note 9	<u>—</u>	<u>—</u>
	1,534,584	1,565,626
For others		
MVAT Recoverable from Govt.	1,679,013	2,449,772
DEPB Licence Unutilised	758,383	1,418,423
	<u>4,032,409</u>	<u>5,494,738</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Year ended 31/03/2016	Year ended 31/03/2015
Note 18: Revenue from Operations		
a) Sale of Products : – (Refer note 18A)		
– Manufactured Finished Goods	287,023,628	361,751,091
– Trading Goods	6,038,680	3,851,420
	<u>293,062,308</u>	<u>365,602,511</u>
b) Other Operating Revenue (Export Incentives)	2,129,225	6,142,740
	<u>295,191,533</u>	<u>371,745,251</u>
Less : Excise duty	20,774,000	27,229,935
Revenue from Operations(Net)	<u>274,417,533</u>	<u>344,515,316</u>
18A Details of Products Sold		
(i) Sale of finished Goods		
Organic Intermediates (Net of Excise)	124,371,675	120,758,927
Optical Brighteners (Net of Excise)	141,877,953	213,762,229
Add: Excise Duty	20,774,000	27,229,935
(ii) Sale of Goods – in – Trade (Net of Excise Duty)		
Organic Intermediates	1,496,964	3,851,420
Optical Brighteners	4,541,716	—
	<u>293,062,308</u>	<u>365,602,511</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Year ended 31/03/2016	Year ended 31/03/2015		
Note 19 : Other Income				
Interest :				
– On Bank Deposits	685,372	178,032		
– Others	262,039	183,723		
Exchange Gain (Net)	4,440,111	(1,916,212)		
Miscellaneous Income	–	109,154		
Profit on sale of Assets	116,225	–		
	5,503,747	(1,445,303)		
Note 20 : Raw Materials Consumed				
Raw materials Consumed :				
Opening stock	16,118,315	26,940,640		
Add : Purchase	170,035,431	217,912,045		
	186,153,746	244,852,685		
Less : Raw Material Sales	68,277	1,781,768		
Less : Loss in transit	–	248,291		
	186,085,469	242,822,626		
Less : Closing Stock	21,040,677	16,118,315		
	165,044,792	226,704,311		
(A) Details of Raw Materials Consumed				
Chemicals				
Organic Intermediates	99,357,928	131,972,891		
Inorganic Intermediates	65,686,862	94,731,420		
	165,044,792	226,704,311		
(B) Value of imported and Indigenous of Raw Materials consumed				
	2015-16		2014-15	
	Value	% to total Consumption	Value	% to total Consumption
Raw Materials :				
Imported at landed cost	63,718,581	38.61%	106,115,875	46.81%
Indigenously obtained	101,326,211	61.39%	120,588,436	53.19%
	165,044,792	100.00%	226,704,311	100.00%
Note 21 : Purchase of Goods – in – Trade				
	4,996,880		3,311,447	
Organic Intermediates (Net of Excise)	1,158,194		3,311,447	
Optical Brighteners (Net of Excise)	3,838,686		–	
	4,996,880		3,311,447	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Year ended 31/03/2016	Year ended 31/03/2015
Note 22 : Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade		
Opening 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
Less : Closing Stock		
Work – in – Progress	14,504,683	17,986,110
Finished Goods	3,841,714	9,156,265
Stock-in-Trade	<u>240,037</u>	<u>558,859</u>
	<u>18,586,434</u>	<u>27,701,234</u>
	<u>9,114,800</u>	<u>(619,189)</u>
Note 22 A : Details of Work In Progress		
Organic Intermediates	3,538,763	6,083,035
Optical Brighteners	<u>10,965,920</u>	<u>11,903,075</u>
	<u>14,504,683</u>	<u>17,986,110</u>
Note 23 : Employee Benefit expenses		
Salaries, Wages and Bonus	20,713,660	19,332,617
Contribution to Provident, Gratuity and other Funds *	1,525,377	1,534,535
Staff Welfare Expenses	<u>722,887</u>	<u>956,590</u>
	<u>22,961,924</u>	<u>21,823,742</u>
* 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	497,872	553,794
– Employers' Contribution to Employees' State Insurance	37,161	34,152
– Employers' Contribution to Employees' Pension Scheme, 1995	605,401	549,806
	<u>A 1,140,434</u>	<u>1,137,752</u>
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	208,732	340,024
– Employers' Contribution to LIC Leave Encashment Scheme	24,616	25,976
– LIC fund management charges	151,595	30,783
	<u>B 384,943</u>	<u>396,783</u>
Total (A+B)	<u>1,525,377</u>	<u>1,534,535</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	As at 31/03/2016		As at 31/03/2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A Changes in the Present Value of Obligation				
Present Value Of Obligation as at Beginning of the Year	3,844,202	510,668	4,511,329	642,361
Interest Cost	307,536	40,853	360,906	51,387
Current Service Cost	243,509	1,172	242,291	8,966
Past service Cost	-	-	-	-
Benefits paid	(57,613)	(28,532)	(1,420,935)	(222,474)
Actuarial Gains / (Loss)	(3,028)	162,125	150,611	30,428
Present value of Obligation as at the end of the year	<u>4,334,606</u>	<u>686,286</u>	<u>3,844,202</u>	<u>510,668</u>
B Changes in the Fair Value of Plan Assets				
Fair Value of Assets as at Beginning of the Year	4,110,523	612,053	4,459,744	769,722
Expected return	339,285	179,534	413,784	64,805
Actuarial Gains / (Loss)	-	-	-	-
Net Contribution by Employer	-	-	657,930	-
Benefits paid	(57,613)	(28,532)	(1,420,935)	(222,474)
Fair value of Assets as at the end of the year	<u>4,392,195</u>	<u>763,055</u>	<u>4,110,523</u>	<u>612,053</u>
C Amount Recognised in the Balance sheet				
Present value of Obligation as at the end of the year	4,334,606	686,286	3,844,202	510,668
Fair value of Assets as at the end of the year	4,392,195	763,055	4,110,523	612,053
Unfunded Liability / (Net asset) Recognised in Balance Sheet	<u>(57,589)</u>	<u>(76,769)</u>	<u>(266,321)</u>	<u>(101,385)</u>
D Balance sheet Reconciliation				
Net Liability at the beginning of the year	(266,321)	(101,385)	51,585	(127,361)
Expense Recognised during the year	208,732	24,616	340,024	25,976
Contribution during the year	-	-	(657,930)	-
Net Liability Recongnised at the end of the year	<u>(57,589)</u>	<u>(76,769)</u>	<u>(266,321)</u>	<u>(101,385)</u>
E Amount recognised in Statement of Profit & Loss				
Current Service Cost	243,509	1,172	242,291	8,966
Interest Cost	307,536	40,853	360,906	51,387
Expected Return on Plan Asset	(339,285)	(179,534)	(413,784)	(64,805)
Settlemnt Cost / (Credit)	-	-	-	-
Past Service cost	-	-	-	-
Net Actuarial (Gain)/ Loss regognised in the period	(3,028)	162,125	150,611	30,428
Total Expenses charged to Statement of Profit & Loss	<u>208,732</u>	<u>24,616</u>	<u>340,024</u>	<u>25,976</u>
F Percentage of each category of Plan assets to Fair Value of plan Assets				
(1) Insurer Managed fund	100%	100%	100%	100%
G Actuarial Assumptions				
Discount Rate	8%	8%	8%	8%
Expected return on Plan	8%	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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Year ended 31/03/2016	Year ended 31/03/2015
Note 24 : Finance Cost		
Bank Interest	877,661	1,971,586
Hire purchase charges	–	23,399
Processing, documentation and other borrowing cost	85,951	92,901
	<u>963,612</u>	<u>2,087,886</u>
Note 25 : Other Expenses		
Manufacturing Expenses		
Consumption of stores and spare parts	194,161	302,827
Power and fuel	11,115,282	13,141,770
Water consumption	513,718	806,926
Water treatment	476,164	1,121,646
Repairs and maintenance – Buildings	78,821	121,563
Repairs and maintenance – Machinery	1,947,138	2,869,010
Electrical Maintenance.	37,264	42,670
Laboratory Expenses	302,080	397,005
Handling Loss	29,036	28,226
TOTAL (A)	<u>14,693,664</u>	<u>18,831,643</u>
Selling, Distribution and Administration expenses		
Rent including lease rentals	807,625	956,590
Repairs and maintenance – Others	104,979	170,296
Consumption of packing materials	6,129,253	7,983,449
Insurance	556,366	514,461
Rates and taxes	332,000	381,336
Communication	513,924	581,116
Travelling and conveyance	1,203,802	1,245,123
Printing and stationery	286,217	395,616
Freight and forwarding	6,336,921	7,783,877
Sales commission	1,010,254	15,469,459
Discount on sales	287,898	1,008,531
Business promotion	264,903	248,394
Legal and professional	2,536,042	1,978,616
Payments to auditors		
– Audit Fees	165,000	165,000
– Tax Audit Fees	60,000	60,000
– Certification Fees/Other Services	<u>24,000</u>	<u>16,000</u>
Bank Commission & Charges	473,443	504,655
Clearing & Forwarding Charges	594,487	730,494
Export Freight	464,013	1,353,284
Electricity charges	130,520	166,536
Vehicle Expenses	325,158	352,939
Membership & Filing Fees	432,750	235,714
Terminal Handling Charges	869,961	847,478
Loss on sale of Fixed Assets	–	145,326
Director Sitting fees	280,000	240,000
Entertainment Expenses	142,644	208,872
Share Transfer Expenses	116,150	84,455
Indirect Taxes on Assessment	1,062,938	123,548
Miscellaneous expenses	861,789	1,222,686
TOTAL (B)	<u>26,373,037</u>	<u>45,173,851</u>
TOTAL (A + B)	<u>41,066,701</u>	<u>64,005,494</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 26 : Related party Disclosure

I) Name of the Related party and nature of relationship

- A. Associate Enterprises
 – M/s Caffil Private Limited
 – M/s Amichem
 – M/s Erca Speciality Chemicals Pvt. Ltd
- B. Key Management Personnel
 – Mr. Amit Patel (Managing Director)
 – Mr. Aditya Patel (Joint Managing Director)

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

PARTICULARS		ERCA SPECIALITY	AMICHEM	KEY MANAGEMENT PERSONNEL
1	Purchase (Net)	15,611	–	–
2	Service charges for use of premises	–	807,625	–
3	Remuneration to Directors *	–	–	3,197,227
4	Director – Sitting Fees	–	–	280,000

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

Note 27 : Contingent Liabilities

PARTICULARS		As at 31/03/2016	As at 31/03/2015
1	Outstanding Letters of Credit	1,213,588	1,159,152
2	Outstanding Bank Guarantee	1,850,000	1,850,000
		3,063,588	3,009,152

Note 28 : Commitments

Estimated amount of contract remaining to be executed on capital Account and not provided for ₹1.50 CR. (P.Y. ₹ 25 Lakhs)

Note 29 :

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

Note 30 : Consolidated financial statement

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

Note 31 : Dues to Micro and Small suppliers

Particulars	Mar 31, 2016	Mar 31, 2015
a) The amounts remaining unpaid at the Balance sheet Date		
– Principal	70,032	17,706
– 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	793,914	1,785,229
– Interest	–	–

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Mar 31,2016	Mar 31,2015
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	14,500	30,454
f) Total Interest due but not paid for the earlier years	72,974	42,520

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

Note 32 : The excise duty payable if any on finished goods held in the factory is neither included in expenditure nor valued in such stock but is accounted for on clearance of goods from factory. This accounting treatment has no impact on profits.

Note 33 : Sundry Debtors and Loans and Advances are subject to confirmation.

Note 34 : Segment Information has not been given as the Company does not have any segment.

Note 35 : Earnings per Share

Particulars	As at 31/03/2016	As at 31/03/2015
(A) Profit attributable to Equity Shareholders (₹)	21,019,785	15,517,152
(B) No. of Equity Share outstanding during the year.	6,000,000	6,000,000
(C) Face Value of each Equity Share (₹)	10	10
(D) Basic & Diluted earning per Share (₹)	3.50	2.59

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

– Travelling	401,280	264,700
– Commission	38,100	15,021,638

Note 37: Earning in Foreign Currency

FOB Value of Exports	169,915,659	219,291,858
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Note 38: Remittance in Foreign Currency on Account of Dividend

(a) Number of Non-Resident Shareholders	2	2
(b) Number of Equity shares held by them	994,700	994,700
(c) (i) Amount of dividend Paid (Gross)	795,760	795,760
Tax deducted at source	--	--
(ii) Year to which dividend relates	2014-15	2013-14

Note 39 : Value of Import on CIF Basis

Raw Materials	58,435,803	94,311,229
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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 13, 2016

For and on behalf of the Board of Directors

AMIT PATEL

Managing Director

(DIN : 00005232)

JAGDISH VASA

Director

(DIN : 00170466)

ADITYA PATEL

Chief Financial Officer

(DIN : 00005276)

AMITA VISHWAKARMA

Company Secretary

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

We have audited the accompanying consolidated financial statements of Daikaffil Chemicals India Limited (“the Holding Company”) and its associate, (the Holding Company and its associate together referred to as “the Group”) comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”)

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2016 and their consolidated Profit and Loss and their consolidated Cash Flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the associate, whose financial statements reflect total assets of Rs. 24,57,066/- as at 31st March, 2016, total revenues of Rs.151,473/- and net cash flows of (Rs.122,243/-) for the year the year then ended on 31st March, 2016 in which the share of the profit of the Group is Rs.25,261/-. These financial statements have been audited by other auditor whose reports have been furnished to us and our opinion is based solely on the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the holding Company, and the reports of the statutory auditors of its associate company, none of the directors of the Group company and its associate company incorporated in India is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- f) With respect to the other matters included in the auditor's report in accordance with rule 11 of the Companies (Audit & Auditors) Rules 2015, in our opinion and to best of our information and according to the explanation given to us.
 - a. There were no pending litigations which would impact the consolidated financial position of the Holding Company and its associate.
 - b. The Holding Company and based on the comments in the auditor's report of the associate companies incorporated in India, provision has been made as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
 - c. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the Holding Company or its associate.

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

MANISH PATEL
Proprietor
Membership No.107367

Mumbai: 13th May, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(Rupees)

	Note	Consolidated Figures As at 31/03/2016		Consolidated Figures As at 31/03/2015	
A EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	2	60,000,000		60,000,000	
(b) Reserves and surplus	3	65,995,293	125,995,293	52,179,048	112,179,048
2 Minority Interest			18,23,824		17,480,39
3 Non-current liabilities					
(a) Deferred tax liabilities (net)	4	4,850,621		3,520,501	
(b) Long-term provisions	5	686,286	5,536,907	510,669	4,031,170
3 Current liabilities					
(a) Short-term borrowings	6	7,068,932		18,875,287	
(b) Trade payables	7	34,159,033		53,817,843	
(c) Other current liabilities	8	8,709,561		4,996,141	
(d) Short-term provisions	9	7,228,800	57,166,326	5,783,040	83,472,311
TOTAL			190,522,350		201,430,568
B ASSETS					
1 Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		53,350,083		53,675,796	
(ii) Capital work-in-progress		411,211		14,020	
		53,761,294		53,689,816	
(b) Non-current investments	11	1,872,300		374,700	
(c) Long-term loans and advances	12	1,484,679		1,542,409	
			57,118,273		55,606,925
2 Current assets					
(a) Inventories	13	40,155,109		44,395,738	
(b) Trade receivables	14	70,455,220		68,400,995	
(c) Cash and cash equivalents	15	13,063,131		17,125,286	
(d) Short-term loans and advances	16	5,490,488		10,180,891	
(e) Other current assets	17	4,240,129	133,404,077	5,720,733	145,823,643
TOTAL			190,522,350		201,430,568

The Notes form an Integral part of these Consolidated Financial statements

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

MANISH PATEL

Proprietor

Membership No. 107367

Mumbai: May 13, 2016

For and on behalf of the Board of Directors

AMIT PATEL

Managing Director

(DIN : 00005232)

JAGDISH VASA

Director

(DIN : 00170466)

ADITYA PATEL

Chief Financial Officer

(DIN : 00005276)

AMITA VISHWAKARMA

Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Rupees)

Particulars	Note	Consolidated Figures As at 31/03/2016	Consolidated Figures As at 31/03/2015
Revenue from operations (gross)	18	295,191,533	372,492,508
Less: Excise duty		20,774,000	27,229,935
Revenue from operations (net)		274,417,533	345,262,573
Other income	19	5,640,352	(1,274,260)
Total revenue		280,057,885	343,988,313
Expenses			
(a) Cost of materials consumed	20	165,029,924	225,097,418
(b) Purchase of stock-in-trade	21	5,007,205	5,223,603
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	9,163,812	(619,188)
(d) Employee benefit expense	23	22,961,924	21,976,075
(e) Finance costs	24	963,612	2,087,886
(f) Depreciation and amortisation expense	10	3,975,161	4,178,435
(g) Other expenses	25	41,093,297	64,384,383
Total expenses		248,194,935	322,328,612
Profit before exceptional and extraordinary items and tax		31,862,950	21,659,701
Exceptional items :-			
Provision for Diminution in value of investment	11	-	-
Short/Excess provision of Income Tax		-	-
Prior-Period Income / (Expenses)		-	(201,516)
Excess Depreciation charged in previous years		-	-
		-	(201,516)
Profit before extraordinary items and tax		31,862,950	21,458,185
Extraordinary items		-	-
Profit before tax		31,862,950	21,458,185
Tax Expense :			
Current Tax		(9,412,000)	(6,800,000)
Deferred Tax	5	(1,330,120)	267,307
Earlier Years		-	481,804
		(10,742,120)	(6,050,889)
Less : Minority Interest		21,120,830	15,407,296
Profit for the year		(75,783)	102,219
Earnings per Equity Share		21,045,047	15,509,515
[Face Value of ₹ 10 per Equity share]			
Basic and Diluted earning per share (₹)]		3.51	2.58

The Notes form an Integral part of these Consolidated Financial statements

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

MANISH PATEL

Proprietor

Membership No. 107367

Mumbai: May 13, 2016

For and on behalf of the Board of Directors

AMIT PATEL

Managing Director

(DIN : 00005232)

JAGDISH VASA

Director

(DIN : 00170466)

ADITYA PATEL

Chief Financial Officer

(DIN : 00005276)

AMITA VISHWAKARMA

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT AS AT 31st MARCH, 2016

(Rs. in lacs)

	Consolidated Figures 2015-2016	Consolidated Figures 2014-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	31,862,950	21,659,701
ADJUSTMENTS FOR :		
Depreciation	3,975,161	4,178,435
Interest Paid	877,661	1,971,586
Loss/(Profit) on Sale of Fixed asset	(116,225)	145,326
Investment Income	(136,109)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES.	36,463,438	27,955,048
ADJUSTMENTS FOR :		
Trade and other Receivables	4,169,504	19,369,217
Taxes	(43,565)	3,233,018
Inventories	4,240,629	10,463,122
Trade payable and others	(15,769,773)	(27,909,253)
Repayment of Short Term Borrowings	(11,806,355)	(4,502,059)
Cash Generated from Operations	17,253,878	28,609,093
Interest paid	(877,661)	(1,971,586)
Direct Taxes paid	(9,368,435)	(9,539,633)
Cash flow before extraordinary items.	7,007,782	17,097,874
Extraordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	7,007,782	17,097,874
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital WIP)	(4,067,311)	(5,316,085)
Purchase of investments	(1,497,600)	(374,700)
Investment Income	136,109	-
Sale of Fixed Assets	141,905	555,554
NET CASH USED IN INVESTING ACTIVITIES (B)	(5,286,897)	(5,135,231)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Loan	-	(319,388)
Dividends paid	(5,783,040)	(5,615,760)
NET CASH FROM FINANCING ACTIVITIES (C)	(5,783,040)	(5,935,148)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(4,062,155)	6,027,495
CASH & CASH EQUIVALENTS:		
Opening Balance at Beginning of the year	17,125,286	11,097,791
Closing Balance at the End of the year	13,063,131	17,125,286
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	(4,062,155)	6,027,495

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

MANISH PATEL

Proprietor

Membership No. 107367

Mumbai: May 13, 2016

For and on behalf of the Board of Directors

AMIT PATEL

Managing Director

(DIN : 00005232)

JAGDISH VASA

Director

(DIN : 00170466)

ADITYA PATEL

Chief Financial Officer

(DIN : 00005276)

AMITA VISHWAKARMA

Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CORPORATE PROFILE:

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

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

Note 1. SIGNIFICANT ACCOUNTING POLICIES:

1) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS :

The financial statements are prepared under historical cost convention on an accrual basis and are generally in accordance with the requirements of the Companies Act, 2013 and the accounting principles generally accepted in India and comply with the Accounting Standards notified by the Companies (Accounting standards) Rules, 2014.

2) PRINCIPLES OF CONSOLIDATION

A) The consolidated financial statements relate to the Company and its Associate entities {collectively referred here in under as the "Group"}. The consolidated financial statements have been prepared on the following basis:

- a. Investment in Associate company has been accounted under the equity method as per Accounting Standard {AS} 23 "Accounting for Investments in Associates in Consolidation Financial Statement", whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net asset of the Associate company.
- b. The Excess of cost to the Company of its investment in the Associate controlled entity is recognized in the financial statements as Goodwill, which is tested for impairment on every balance sheet date. The excess of Company's share of equity and reserve of such entities over the cost of accordance with the applicable Accounting Standards.
- c. The Consolidation financial statement have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

B) The Associates entity considered in the consolidation financial statement is Erca Specialty Chemicals Pvt. Ltd incorporated in India and the parent is holding 25% of voting power as on Mar 31, 2016.

3) CURRENT NON-CURRENT CLASSIFICATION:

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

Assets

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

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

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

All other assets are classified as non-current

Liabilities

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

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

Or

d) the company does not have an unconditional right to defer settlement of liability for atleast 12 months after the reporting date
Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

4) FIXED ASSETS :

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

5) DEPRECIATION :

- a) Depreciation on fixed assets is provided on straight line method based on useful life of the assets at the rates and in the manner laid down in Schedule II to the Companies Act, 2013.
- b) Depreciation on assets acquired / purchased during the year has been provided on pro rata basis according to the period each asset was put to use during the year.

6) IMPAIRMENT OF ASSETS

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

7) FOREIGN CURRENCY TRANSACTIONS.

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

8) INVESTMENTS :

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

9) INVENTORIES :

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

10) REVENUE RECOGNITION :

a) Sale of goods:

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

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

c) Export Incentives are accounted on accrual basis.

11) RETIREMENT AND OTHER EMPLOYEE BENEFITS :

a) Defined Contribution Plan:

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

b) Defined Benefit plan:

i) Gratuity Plan:

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

ii) Leave encashment :

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

12) TAXES ON INCOME :

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

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

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

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

13) CONTINGENT LIABILITIES:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	Consolidated Figures As at 31/03/2016	Consolidated Figures As at 31/03/2015
Note 2: Share Capital		
a) Authorised		
65,00,000 (65,00,000) Equity Shares of ₹10/ – Each.	65,000,000	65,000,000
b) Issued,subscribed and Paid up :		
60,00,000 (60,00,000) Equity Shares of ₹10/ – Each.	60,000,000	60,000,000
	60,000,000	60,000,000

c) Reconciliation of number of Equity Shares :

Particulars	As at 31/03/2016		As at 31/03/2015	
	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 31/03/2016		As at 31/03/2015	
	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
1 Amit Patel	927,450	15.46%	927,450	15.46%
2 Caffil Private Ltd.,	503,300	8.39%	503,300	8.39%
3 H.G.E. Chemical Company S.A. (Luxembourg)	749,700	12.50%	749,700	12.50%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	Consolidated Figures As at 31/03/2016	Consolidated Figures As at 31/03/2015
Note 3 :Reserves and Surplus		
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	14,700,000	12,200,000
Add : Transferred from surplus	<u>2,500,000</u>	<u>2,500,000</u>
	17,200,000	14,700,000
Capital Reserve		
Balance at the beginning of the year	7,669	-
Add : Reversal of Diminution of Value of Investments in Associate	<u>(7,638)</u>	<u>7,669</u>
	30	7,669
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	31,546,996	26,184,944
Add : During the year	<u>21,045,047</u>	<u>15,509,515</u>
	52,592,043	41,694,459
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)
Proposed Dividend	(6,000,000)	(4,800,000)
Corporate Dividend Tax Thereon	<u>(1,228,800)</u>	<u>(983,040)</u>
	42,863,243	31,539,359
	<u>65,995,293</u>	<u>52,179,048</u>
	Consolidated Figures As at 31/03/2016	Consolidated Figures As at 31/03/2015
Note 4 : Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities:		
on account of timing difference in depreciation	5,036,304	4,403,271
Allowance U/s. 43(B) on Payment Basis	<u>-</u>	<u>-</u>
Sub-Total	<u>5,036,304</u>	<u>4,403,271</u>
Deferred Tax Assets:		
on account of Employee Cost / Benefits	(43,593)	316,499
on account of Allowances / disallowances Under Income Tax Act, 1961	229,276	566,271
Sub-Total	<u>185,683</u>	<u>882,770</u>
Net Deferred tax liability	<u>4,850,621</u>	<u>3,520,501</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	Consolidated Figures As at 31/03/2016	Consolidated Figures As at 31/03/2015
Note 5 : Long Term Provisions		
Employees benefits :-		
Provision for Leave Encashment	686,286	510,669
	686,286	510,669
Note 6 Short – Term Borrowings		
Secured Loan #		
From Bank		
– Cash Credit	2,037,667	-
– Export Packing Credit	5,031,265	18,875,287
	7,068,932	18,875,287
#	Secured against hypothecation of Stock in Trade, Book Debts, Plant and Machinery, Other Fixed Assets and Mortgage by Deposit of Title Deeds of Leasehold Land.	
Note 7 : Trade Payables		
Due to Micro, Small and Medium Enterprises *	70,032	17,706
Due to creditors other than Micro, Small and Medium Enterprises	34,089,001	53,800,137
	34,159,033	53,817,843
*	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.	
Note 8 : Other Current Liabilities		
Other Liabilities	2,211,710	781,146
Liability Towards Employees	3,893,699	2,468,693
Statutory Liabilities	1,006,798	155,388
Unpaid Dividend #	1,382,954	1,365,799
Trade Deposit and Advance	214,400	225,115
	8,709,561	4,996,141
#	As at the year end there is no amount due for payment to the Investor Education & Protection Fund under Section 124(5) of the Companies Act, 2013.	
Note 9 : Short Term Provisions		
Provision for Dividend	6,000,000	4,800,000
Provision for Corporate Dividend Tax	1,228,800	983,040
Provision for Income Tax	16,212,000	6,800,000
Less : Advance Tax / TDS	17,748,195	8,379,760
	(1,536,195)	(1,579,760)
Less Refer Note 17	(1,536,195)	(1,579,760)
	-	-
	7,228,800	5,783,040

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

Note 10

FIXED ASSETS

Name of the Assets	Gross Block					Depreciation			Net Block	
	As at 31/03/2015	Additions	Deductions	As at 31/03/2016	Provided Upto 31/03/2015	Provided this year	Adjustment/ Deduction during the year	As at 31/03/2016	As at 31/03/2016	As at 31/03/2015
LAND (LEASEHOLD)	3,900,000	-	-	3,900,000	-	-	-	-	3,900,000	3,900,000
FACTORY BUILDING	23,770,831	3,591	-	23,774,422	11,044,074	794,039	-	11,838,113	11,936,309	12,726,757
FLAT	319,031	-	-	319,031	100,443	5,200	-	105,643	213,388	218,588
PLANT & MACHINERY	99,034,595	2,715,866	-	101,750,461	65,846,223	2,101,854	-	67,948,078	33,802,383	33,188,372
ELECTRICAL INSTALLATIONS	5,863,359	16,536	-	5,879,895	4,709,394	391,549	-	5,100,943	778,952	1,153,965
LABORATORY EQUIPMENT	1,591,726	-	-	1,591,726	758,539	199,179	-	957,718	634,008	833,187
OFFICE EQUIPMENTS	1,432,662	87,682	5,000	1,515,344	909,712	152,287	(5,000)	1,056,999	458,345	522,950
FURNITURE & FIXTURES	1,812,744	-	-	1,812,744	794,953	198,084	-	993,037	819,707	1,017,791
COMPUTER	1,135,671	206,981	16,190	1,326,462	1,045,627	54,905	(14,652)	1,085,880	240,582	90,044
VEHICLES	501,127	639,463	501,127	639,463	476,985	73,054	(476,985)	73,054	566,409	24,142
Total	139,361,746	3,670,119	522,317	142,509,548	85,685,950	3,970,152	(496,637)	89,159,465	53,350,083	53,675,796
Previous year	135,048,691	5,336,567	1,023,512	139,361,746	79,963,096	4,173,426	1,549,426	85,685,950		
Capital Work-in-Progress									411,211	14,020
									53,761,294	53,689,816

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.

	Year ended 31/03/2016	Year ended 31/03/2015
Depreciation	3,970,152	4,173,426
Preliminary Expenses W/o	5,009	5,009
Depreciation and amortisation expense Charged to Profit & Loss for the year	3,975,161	4,178,435

**Consolidated Figures
As at 31/03/2016**

**Consolidated Figures
As at 31/03/2015**

Note 11 : Non Current Investments

Long-term

Unquoted and non trade

Investment in 13193 (3747) shares of face value Rs.100/- each of and Premium of Rs. 58.54 (Rs. Nil) per share of 9446 shares of Tarapur Environment Protection Society Ltd.

1,872,300

374,700

1,872,300

374,700

Note 12 : Long Term Loans and Advances

Unsecured and Considered Good

A Security Deposits

664,035

664,035

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

763,055

612,053

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

57,589

266,321

1,484,679

1,542,409

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	Consolidated Figures As at 31/03/2016	Consolidated Figures As at 31/03/2015
Note 13 : Inventories – As certified by Management		
Valued at Lower of Cost or Net Realizable Value :		
Raw Materials	21,040,677	16,118,315
Work-in – Progress	14,504,683	17,986,110
Finished Goods	3,841,714	9,156,265
Stock-in-Trade	240,037	607,871
Valued at Cost :		
Stores and Spares.	247,748	166,417
Packing Materials	280,250	360,760
	<u>40,155,109</u>	<u>44,395,738</u>
Note 14 :Trade Receivables		
<i>Unsecured and Considered Good</i>		
Outstanding for a period exceeding six months from the date they are due for payment	666,442	1,113,489
Other Trade Receivables	69,788,778	67,287,506
	<u>70,455,220</u>	<u>68,400,995</u>
Note 15 :Cash and Bank Balances		
A Cash and Cash Equivalents :		
Cash on hand	189,267	290,371
Balances with Banks in current accounts	10,338,886	13,582,953
	<u>10,528,153</u>	<u>13,873,324</u>
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.	1,152,024	1,886,163
Earmarked balances with bank for Unpaid Dividends	1,382,954	1,365,799
	<u>2,534,978</u>	<u>3,251,962</u>
Total	<u>13,063,131</u>	<u>17,125,286</u>
Note 16 : Short – Term Loans and Advances		
<i>Unsecured and Considered Good</i>		
Prepaid Expenses	415,424	405,704
Cenvat Credit Receivable	2,781,046	2,624,529
Loans to Employees	103,000	124,600
Balances with Government Authorities	1,798,662	6,222,039
Advances to Suppliers	392,356	304,819
Advance towards purchase of Shares of Tarapur Environment Protection Society	-	499,200
	<u>5,490,488</u>	<u>10,180,891</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

	Consolidated Figures As at 31/03/2016	Consolidated Figures As at 31/03/2015
Note 17 : Other Current Assets		
<i>Unsecured and Considered Good</i>		
Interest Accrued on Investments/Deposits	60,429	60,917
For others		
For Advance Tax / TDS	17,748,195	8,379,760
Less : Provision for Income Tax	16,212,000	6,800,000
	1,536,195	1,579,760
Less Refer note 9	—	—
	1,536,195	1,579,760
For others		
MVAT Recoverable from Govt.	1,875,104	2,646,606
DEPB Licence Unutilised	758,383	1,418,423
Misc. Exp to the Extent Not written off	10,018	15,027
	4,240,129	5,720,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Consolidated Figures Year ended 31/03/2016	Consolidated Figures Year ended 31/03/2015
Note 18: Revenue from Operations		
a) Sale of Products : – (Refer note 18A)		
– Manufactured Finished Goods	287,023,628	361,751,091
– Trading Goods	6,038,680	4,598,677
	293,062,308	366,349,768
b) Other Operating Revenue (Export Incentives)	2,129,225	6,142,740
	295,191,533	372,492,508
Less : Excise duty	20,774,000	27,229,935
Revenue from Operations(Net)	274,417,533	345,262,573
18A Details of Products Sold		
(i) Sale of finished Goods		
Organic Intermediates (Net of Excise)	124,371,675	120,758,927
Optical Brighteners (Net of Excise)	141,877,953	213,762,229
Add: Excise Duty	20,774,000	27,229,935
(ii) Sale of Goods – in – Trade (Net of Excise Duty)		
Organic Intermediates	1,496,964	3,851,420
Optical Brighteners	4,541,716	747,257
	293,062,308	366,349,768

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Consolidated Figures Year ended 31/03/2016		Consolidated Figures Year ended 31/03/2015	
Note 19 : Other Income				
Interest :				
– On Bank Deposits	821,481		319,365	
– Others	262,535		213,433	
Exchange Gain (Net)	4,440,111		(1,916,212)	
Miscellaneous Income	-		109,154	
Profit on sale of Assets	116,225		-	
	<u>5,640,352</u>		<u>(1,274,260)</u>	
Note 20 : Raw Materials Consumed				
Raw materials Consumed :				
Opening stock	16,118,315		26,940,640	
Add : Purchase	170,020,563		216,305,152	
	186,138,878		243,245,792	
Less : Raw Material Sales	68,277		1,781,768	
Less : Loss in transit	-		248,291	
	186,070,601		241,215,733	
Less : Closing Stock	21,040,677		16,118,315	
	<u>165,029,924</u>		<u>225,097,418</u>	
(A) Details of Raw Materials Consumed				
Chemicals				
Organic Intermediates	99,343,060		130,365,998	
Inorganic Intermediates	65,686,864		94,731,420	
	<u>165,029,924</u>		<u>225,097,418</u>	
(B) Value of imported and Indigenous of Raw Materials consumed				
	Value	% to total Consumption	Value	% to total Consumption
Raw Materials :				
Imported at landed cost	63,718,581	38.61%	106,115,875	46.81%
Indigenously obtained	101,311,342	61.39%	120,588,436	53.19%
	<u>165,029,924</u>	<u>100.00%</u>	<u>226,704,311</u>	<u>100.00%</u>
Note 21 : Purchase of Goods – in – Trade				
	<u>5,007,205</u>		<u>5,223,603</u>	
Organic Intermediates (Net of Excise)	1,158,194		3,311,447	
Optical Brighteners (Net of Excise)	3,849,011		1,912,156	
	<u>5,007,205</u>		<u>5,223,603</u>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Consolidated Figures Year ended 31/03/2016		Consolidated Figures Year ended 31/03/2016	
Note 22 : Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade				
Opening Stock				
Work – in – Progress	17,986,110		23,338,248	
Finished Goods	9,156,265		3,175,132	
Stock-in-Trade	<u>607,871</u>	<u>27,750,246</u>	<u>617,678</u>	<u>27,131,058</u>
Less : Closing Stock				
Work – in – Progress	14,504,683		17,986,110	
Finished Goods	3,841,714		9,156,265	
Stock-in-Trade	<u>240,037</u>	<u>18,586,434</u>	<u>607,871</u>	<u>27,750,246</u>
		<u><u>9,163,812</u></u>		<u><u>(619,188)</u></u>

Note 22 A : Details of Work In Progress

Organic Intermediates	3,538,763	6,083,035
Optical Brighteners	<u>10,965,920</u>	<u>11,903,075</u>
	<u><u>14,504,683</u></u>	<u><u>17,986,110</u></u>

Note 23 : Employee Benefit expenses

Salaries, Wages and Bonus	20,713,660	19,477,972
Contribution to Provident, Gratuity and other Funds *	1,525,377	1,534,535
Staff Welfare Expenses	<u>722,887</u>	<u>963,568</u>
	<u><u>22,961,924</u></u>	<u><u>21,976,075</u></u>

* 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	497,872	553,794
– Employers' Contribution to Employees' State Insurance	37,161	34,152
– Employers' Contribution to Employees' Pension Scheme, 1995	605,401	549,806
A	<u><u>1,140,434</u></u>	<u><u>1,137,752</u></u>

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	208,732	340,024
– Employers' Contribution to LIC Leave Encashment Scheme	24,616	25,976
– LIC fund management charges	151,595	30,783
B	<u><u>384,943</u></u>	<u><u>396,783</u></u>

Total (A+B) 1,525,377 1,534,535

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

	Consolidated Figures Year ended 31/03/2016		Consolidated Figures Year ended 31/03/2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A Changes in the Present Value of Obligation				
Present Value Of Obligation as at Beginning of the Year	3,844,202	510,668	4,511,329	642,361
Interest Cost	307,536	40,853	360,906	51,387
Current Service Cost	243,509	1,172	242,291	8,966
Past service Cost	-	-	-	-
Benefits paid	(57,613)	(28,532)	(1,420,935)	(222,474)
Acturial Gains / (Loss)	(3,028)	162,125	150,611	30,428
Present value of Obligation as at the end of the year	<u>4,334,606</u>	<u>686,286</u>	<u>3,844,202</u>	<u>510,668</u>
B Changes in the Fair Value of Plan Assets				
Fair Value of Assets as at Beginning of the Year	4,110,523	612,053	4,459,744	769,722
Expected return	339,285	179,534	413,784	64,805
Acturial Gains / (Loss)	-	-	-	-
Net Contribution by Employer	-	-	657,930	-
Benefits paid	(57,613)	(28,532)	(1,420,935)	(222,474)
Fair value of Assets as at the end of the year	<u>4,392,195</u>	<u>763,055</u>	<u>4,110,523</u>	<u>612,053</u>
C Amount Recognised in the Balance sheet				
Present value of Obligation as at the end of the year	4,334,606	686,286	3,844,202	510,668
Fair value of Assets as at the end of the year	4,392,195	763,055	4,110,523	612,053
Unfunded Liability / (Net asset) Recognised in Balance Sheet	<u>(57,589)</u>	<u>(76,769)</u>	<u>(266,321)</u>	<u>(101,385)</u>
D Balance sheet Reconciliation				
Net Liability at the beginning of the year	(266,321)	(101,385)	51,585	(127,361)
Expense Recognised during the year	208,732	24,616	340,024	25,976
Contribution during the year	-	-	(657,930)	-
Net Liability Recongnised at the end of the year	<u>(57,589)</u>	<u>(76,769)</u>	<u>266,321</u>	<u>101,385</u>
E Amount recognised in Statement of Profit & Loss				
Current Service Cost	243,509	1,172	242,291	8,966
Interest Cost	307,536	40,853	360,906	51,387
Expected Return on Plan Asset	(339,285)	(179,534)	(413,784)	(64,805)
Settlemnt Cost / (Credit)	-	-	-	-
Past Service cost	-	-	-	-
Net Acturial (Gain)/ Loss regognised in the period	(3,028)	162,125	150,611	30,428
Total Expenses charged to Statement of Profit & Loss	<u>208,732</u>	<u>24,616</u>	<u>340,024</u>	<u>25,976</u>
F Percentage of each category of Plan assets to Fair Value of plan Assets				
(1) Insurer Managed fund	100%	100%	100%	100%
G Acturial Assumptions				
Discount Rate	8%	8%	8%	8%
Expected return on Plan	8%	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 qualifying policy. Breakdown of individual investments that comprise the total plan assets is not supplied by the insurer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Consolidated Figures Year ended 31/03/2016	Consolidated Figures Year ended 31/03/2015
Note 24 : Finance Cost		
Bank Interest	877,661	1,971,586
Hire purchase charges	-	23,399
Processing, documentation and other borrowing cost	85,951	92,901
	<u>963,612</u>	<u>2,087,886</u>
Note 25 : Other Expenses		
Manufacturing Expenses		
Consumption of stores and spare parts	194,161	302,827
Power and fuel	11,115,282	13,141,770
Water consumption	513,718	806,926
Water treatment	476,164	1,121,646
Repairs and maintenance – Buildings	78,821	121,563
Repairs and maintenance – Machinery	1,947,138	2,869,010
Electrical Maintenance.	37,264	42,670
Laboratory Expenses	302,080	397,005
Handling Loss	29,036	28,226
TOTAL (A)	<u>14,693,664</u>	<u>18,831,643</u>
Selling, Distribution and Administration expenses		
Rent including lease rentals	807,625	1,175,692
Repairs and maintenance – Others	104,979	170,296
Consumption of packing materials	6,129,253	7,983,449
Insurance	556,366	514,461
Rates and taxes	332,000	381,336
Communication	513,924	595,085
Travelling and conveyance	1,203,802	1,257,119
Printing and stationery	286,217	395,846
Freight and forwarding	6,338,001	7,795,224
Sales commission	1,010,254	15,469,459
Discount on sales	287,898	1,008,531
Business promotion	264,903	248,394
Legal and professional	2,543,882	1,990,982
Payments to auditors		
– Audit Fees	176,564	176,236
– Tax Audit Fees	60,000	60,000
– Certification Fees/Other Services	24,000	24,427
Bank Commission & Charges	473,443	505,502
Clearing & Forwarding Charges	594,487	730,494
Export Freight	464,013	1,353,284

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Consolidated Figures Year ended 31/03/2016	Consolidated Figures Year ended 31/03/2015
Electricity charges	130,520	176,246
Vehicle Expenses	325,158	352,939
Membership & Filing Fees	432,750	235,714
Terminal Handling Charges	869,961	847,478
Loss on sale of Fixed Assets	-	145,326
Director Sitting fees	280,000	240,000
Entertainment Expenses	142,644	208,872
Share Transfer Expenses	116,151	84,454
Indirect Taxes on Assessment	1,062,938	123,548
Miscellaneous expenses	867,900	1,302,346
TOTAL (B)	26,399,633	45,552,740
TOTAL (A + B)	41,093,297	64,384,383

Note 26 : Related party Disclosure

I) Name of the Related party and nature of relationship

A. Associate Enterprises

- M/s Caffil Private Limited
- M/s Amichem
- M/s Erca Speciality Chemicals Pvt. Ltd
- M/s Novakem S.A.

B. Key Management Personnel

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

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

	PARTICULARS	AMICHEM	KEY MANAGEMENT PERSONNEL
1	Purchase (Net)	-	-
2	Service charges for use of premises	807,625	-
3	Remuneration to Directors *		3,197,227
4	Director – Sitting Fees		280,000

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

Note 27 : Contingent Liabilities

	PARTICULARS	As at 31/03/2016	As at 31/03/2015
1	Outstanding Letters of Credit	1,213,588	1,159,152
2	Outstanding Bank Guarantee	1,850,000	1,850,000
		3,063,588	3,009,152

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 28 : The excise duty payable if any on finished goods held in the factory is neither included in expenditure nor valued in such stock but is accounted for on clearance of goods from factory. This accounting treatment has no impact on profits.

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

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

Note 31 : Earnings per Share

Particulars	As at	As at
	31/03/2016	31/03/2015
(A) Profit attributable to Equity Shareholders (₹)	21,019,785	15,517,152
(B) No. of Equity Share outstanding during the year.	6,000,000	6,000,000
(C) Face Value of each Equity Share (₹)	10	10
(D) Basic & Diluted earning per Share (₹)	3.50	2.59

Note 32 : Additional Information to Consolidated Financial Statements

Particulars	As at 31/03/2016		For the year ended 31/03/2016	
	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount
PARENT				
Daikaffil Chemicals India Ltd	98%	125,970,001	100%	21,019,785
ASSOCIATE				
Erca Speciality Chemicals Pvt Ltd	2%	2,431,765	0%	101,045
Sub-Total		128,401,766		21,120,830
Less : Inter Company Adjustments/ Elimination		2,406,473		75,783
Total		125,995,293		21,045,047

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

MANISH PATEL
Proprietor
Membership No. 107367
Mumbai: May 13, 2016

For and on behalf of the Board of Directors
AMIT PATEL Managing Director
(DIN : 00005232)
JAGDISH VASA Director
(DIN : 00170466)
ADITYA 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 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 24th Annual General Meeting of the Company, to be held on Friday the 2nd Day of September 2016 at 10.00 A.M. at Plot No.E-4, M.I.D.C. Tarapur, Boisar, Dist: Palgarh – 401 506 and at any adjournment thereof in respect of such resolutions as are indicated below:

	Resolution	For	Against
1.	Consideration of Financial Statements and the reports		
2.	Declaration dividend on Equity Shares		
3.	Re-appoint Mr Aditya Patel, liable to retire by rotation		
4.	Appointment of Auditors and fix their remuneration		
5.	Revision in remuneration of Amit Patel		
6.	Revision in remuneration of Aditya Patel		

Signed thisDay of 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix ₹ 1/- Revenue Stamp

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

if undelivered please return to:
LINK INTIME INDIA PVT. LTD.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078
