



August 14<sup>th</sup>, 2018

To  
The Manager  
Listing Department,  
**Bombay Stock Exchange Limited,**  
P.J. Tower, Fort  
Mumbai - 400 001  
Scrip Code: 530825

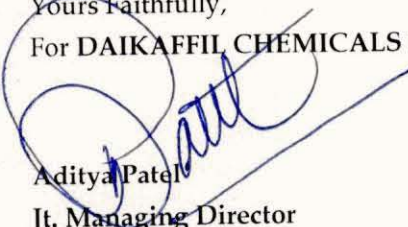
Respected Sir/Madam,

**Sub: Annual Report of 26<sup>th</sup> Annual General Meeting**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report of our 26<sup>th</sup> Annual General Meeting held on 10<sup>th</sup> August 2018.

Kindly take the same on your record.

Thanking You,  
Yours Faithfully,  
For **DAIKAFFIL CHEMICALS INDIA LIMITED**

  
Aditya Patel  
Jt. Managing Director

Encl: as Above

**DAIKAFFIL CHEMICALS INDIA LIMITED**

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

E: [info@daikaffil.com](mailto:info@daikaffil.com) W: [www.daikaffil.com](http://www.daikaffil.com) CIN NO: L24114MH1992PLC067309

Regd. Off. Works : E/4, M.I.D.C. Tarapur, Boisar - 401506. Dist. - Palghar , Maharashtra

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

**26**  
YEARS

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

**2017-2018**

**CIN: L24114MH1992PLC067309**

# DAIKAFFIL

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## BOARD OF DIRECTORS

Sudhir Patel	(Non Executive Chairman) DIN: 00012036
Amit Patel	(Managing Director) DIN: 00005232
Aditya Patel	(Jt. Managing Director & C.F.O.) DIN:00005276
Jagdish Vasa	(Independent Director) DIN:00170466
Giuseppe Seccomandi	(Director) DIN:02213496 (Ceased w.e.f. May 15, 2018)
Hiroshige Tanaka	(Independent Director) DIN: 05247491 (ceased w.e.f. June 15, 2018)
Rajiv Gandhi	(Alternate Director to Mr. Giuseppe Seccomandi) DIN:00438037 (ceased w.e.f. May 15, 2018)
Sunil Merchant	(Alternate Director to Mr. Hiroshige Tanaka) DIN:01064306 (ceased as Alternate Director w.e.f. June 15, 2018. However, appointed as additional director w.e.f. June 20, 2018)
Maithili Siswawala	(Director) DIN:07107622

## KEY MANAGERIAL PERSONAL

Amit J. Patel	(Managing Director)
Aditya A. Patel	(Chief Financial Officer)
Amita Vishwakarma	(Company Secretary) (Ceased w.e.f. October 05, 2017)
Minal Ladda	(Company Secretary) (Appointed w.e.f. November 08, 2017)

## BANKERS

Kotak Mahindra Bank Limited

## SECRETARIAL AUDITOR

Dinesh Kumar Deora (Practicing Company Secretary)

## AUDITORS

Manish Patel and Company (Statutory Auditors) - ceased w.e.f. May 28, 2018  
C N K & Associates (Statutory Auditors) - appointed w.e.f. June 20, 2018  
JMT & Associates (Internal Auditors)

## REGISTRARS AND SHARE TRANSFER AGENTS

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

## CORPORATE OFFICE

52, Nariman Bhavan, Nariman Point, Mumbai 400 021

## REGISTERED OFFICE AND PLANT

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

## ANNUAL GENERAL MEETING

**Date:** 10th August, 2018  
**Time:** 10.00 A.M.  
**Venue:** Hotel Sarovar Residency, Near Hotel Sarovar, P-180,  
Tarapur M.I.D.C Area, Chitralay, Boisar West, Dist.Palghar, 401 506  
Tel No. 02525-260297/260298.

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

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## NOTICE

**NOTICE** is hereby given that the **26TH ANNUAL GENERAL MEETING** of the Members of **DAIKAFFIL CHEMICALS INDIA LIMITED** will be held on **FRIDAY, THE 10TH DAY OF AUGUST, 2018** at 10.00 A.M. at **HOTEL SAROVAR RESIDENCY, NEAR HOTEL SAROVAR, P-180, TARAPUR M.I.D.C AREA, CHITRALAY, BOISAR WEST, DIST. PALGHAR, 401 506** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a. The Standalone Audited Financial Statements for the financial year ended March 31, 2018 including the Audited Balance Sheet as at March 31, 2018 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
  - b. The Consolidated Audited Financial Statements for the financial year ended March 31, 2018 including the Audited Balance Sheet as at March 31, 2018 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 2018.
3. To appoint a Director in place of Mr. Amit Patel, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint 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 C N K & Associates LLP, Chartered Accountants, Mumbai, (Firm Registration No. 101961 W/ W-100036), as the Statutory Auditors, for a period of five years, be and is hereby accorded by Members to hold office from conclusion of this meeting till the conclusion of the 31st Annual General Meeting on a remuneration to be fixed by the Board of Directors, in addition to the service tax and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company to be reimbursed for the financial year ending March 31, 2018.”

### SPECIAL BUSINESS:

5. Re-appointment of Mr. Amit Patel (DIN: 00005232), Managing Director of the Company for a further period of 5 years commencing from January 01, 2018 and ending on December 31, 2023.

To consider and if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of Board of Directors and subject to the provisions of Section 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013, the relevant rules made thereunder read with Schedule V of the said Act (including any statutory modifications and reenactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for reappointment of Mr. Amit Patel (DIN: 00005232) as Managing Director of the Company for a further period of five years with effect from January 01, 2018 to December 31, 2023, liable to retire by rotation, on such terms & conditions and remuneration as set out below:

#### A. REMUNERATION

- (i) Basic Salary of INR 100,000/- (Rupees One Lakh Only) per month and 10% annual increment on the basic salary.
- (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.
- (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. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

**C. MINIMUM REMUNERATION**

Notwithstanding anything to the contrary herein contained, where, in any financial year during the currency of the tenure of Mr. Amit Patel, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Amit Patel by way of Salary, Benefits, Perquisites and Allowances as specified above as minimum remuneration and his basic salary shall be his last drawn remuneration as at the end of the previous financial year.

**D. RETIREMENT BY ROTATION**

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

**E. SITTING FEES**

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

**F. OTHER TERMS AND CONDITIONS**

The terms and conditions of appointment of Executive Director 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.

**RESOLVED FURTHER THAT in the event the Company has no profit or its profits are inadequate in any financial year the remuneration shall be paid to him shall be as per the terms and conditions of Schedule V of the Companies Act, 2013;**

**RESOLVED FURTHER THAT** the Board of Directors of the Company or the Committee of the Board, be and is hereby authorized to do all such acts, deeds and things and to alter, amend or vary the terms and conditions of the appointment and remuneration as may be agreed to between the Board of Directors and Mr. Amit Patel within such guidelines or amendments as may be made to the Companies Act, 2013, and subject to such approvals as may be required including filing of necessary e-form with registrar of Companies as may be required to give effect to the aforesaid resolution.”

**6. Re-appointment of Mr. Aditya Patel (DIN: 00005276), Jt. Managing Director, of the Company for a further period of 5 years commencing from June 01, 2018 and ending on May 31, 2023.**

To consider and if thought fit, to pass with or without modification (s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of Board of Directors and subject to the provisions of Section 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013, the relevant rules made thereunder read with Schedule V of the said Act (including any statutory modifications and reenactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for reappointment of Mr. Aditya Patel (DIN: 00005276) as Jt. Managing Director of the Company for a further period of five years with effect from June 01, 2018 to May 31, 2023, liable to retire by rotation, on such terms & conditions and remuneration as set out below:

**A. REMUNERATION**

- (i) Basic Salary of 80,000/- (Rupees Eighty thousand Only) per month and 10% annual increment on the basic salary.
- (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.
- (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. MINIMUM REMUNERATION**

Notwithstanding anything to the contrary herein contained, where, in any financial year during the currency of the tenure of Mr. Aditya Patel, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Aditya Patel, by way of Salary, Benefits, Perquisites and Allowances as specified above as minimum remuneration and his basic salary shall be his last drawn remuneration as at the end of the previous financial year.

## **D. RETIREMENT BY ROTATION**

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

## **E. 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.

## **F. OTHER TERMS AND CONDITIONS**

The terms and conditions of appointment of Executive Director 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.

## **7. Appointment of Mr. Sunil Merchant (DIN: 01064306), as Independent Director of the Company for a period of 5 years commencing from June 20, 2018 and ending on June 19, 2023.**

To consider and if thought fit, to pass with or without modification (s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 161 read with schedule IV and all other applicable provisions of the Companies' Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force) and SEBI ( Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force), Mr. Sunil Merchant (DIN: 01064306), who was appointed as Additional Director by the Board of Directors w.e.f. June 20, 2018 and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to June 19, 2023

By Order of the Board of Directors,  
For **DAKAFFIL CHEMICALS INDIA LIMITED**

SD/-  
**AMIT PATEL**  
Managing Director  
(DIN: 00005232)

Date: June 20, 2018  
Place: Mumbai

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Shares Transfer Books of the Company will be closed from the 04th August 2018 to 10th August 2018 (both days inclusive).
3. The dividend, as recommended by the Board, if declared at the Annual General Meeting shall be paid on or after 10th August 2018 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 03rd August 2018 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 03rd August 2018.
4. The members are requested to:
  - (a) Intimate to the Company's Registrars and Share Transfer Agents M/s Link Intime India Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date;
  - (b) Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
  - (c) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
  - (d) Get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
  - (e) Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting
  - (f) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
  - (g) Furnish their Bank Account Number, the name of the Bank and the Branch where they would like to deposit the Dividend Warrants for encashment. These particulars will be printed on the cheque portion of Dividend Warrants, besides the name of the Shareholders so as to avoid fraudulent encashment of warrants. The above mentioned details should be furnished by the first / sole shareholder, directly to the Registrar & Share Transfer Agents, quoting the folio number.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. Consequent upon the introduction of Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH-13 (which will be made available on request) to the Registrar and Transfer Agents, M/s Link Intime India Private Limited.
9. Pursuant to provisions of Section 124(5) of the Companies Act, 2013, dividend for the financial year ended March 31, 2011 and thereafter, which remains unclaimed for a period of 7 years shall be transferred by the Company to Investor Education and Protection Fund established by the Central Govt.



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

Financial Year	Type of Dividend	Date of Declaration	Date of Transfer
2010-2011	Final Dividend	30-09-2011	06-11-2018
2011-2012	Final Dividend	28-09-2012	03-10-2019
2012-2013	Final Dividend	27-09-2013	03-10-2020
2013-2014	Final Dividend	26-09-2014	03-10-2021
2014-2015	Final Dividend	21-08-2015	25-09-2022
2015-2016	Final Dividend	02-09-2016	06-10-2023
2016-2017	Final Dividend	04-08-2017	11-09-2024

Those Members who have so far not en-cashed their dividend warrants from the final dividend 2010 - 2011 onwards, may approach the Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd, for making their claim without any further delay as the said unpaid dividends shall be transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Companies Act.

In terms of Section 124(6) of Companies Act, 2013 and the Rules notified there under, including amendments thereof, the shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years or more, are required to be transferred by the Company to the IEPF Suspense Account.

Accordingly, the Company has transferred shares to IEPF Suspense Account in respect of which dividend has not been paid or claimed since 2009-10. The summary for the same is given below:

Name of Depository	Demat Account Maintained with	Account details
CDSL	SBICAP Securities Limited	DP ID: 1204 7200
		Client ID:1367 6780

the break-up/details of total number of shares transferred to Investor Education and Protection Fund (IEPF) is provided below

Shares held with :	Number of records	Number of shares (Quantity)
CDSL	03	600
NSDL	13	5,045
Physical	269	1,06,300
Total	285	1,11,945

The details of unpaid / unclaimed dividend and number of shares transferred are available on our website: ([www.daikaffil.com](http://www.daikaffil.com))

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

10. The Annual Report of the Company for the year 2017-2018 is also uploaded on the Company's website ([www.daikaffil.com](http://www.daikaffil.com))
11. Members are requested to notify any changes in address, signature or other bank particulars for their shares in electronic mode to their respective Depository Participant and for their physical holdings to the Registrar & Share Transfer Agent of the Company i.e. M/s. Link Intime India Private Limited.
12. Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.
13. **MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESSES SO FAR ARE REQUIRED TO REGISTER THEIR E-MAIL ADDRESS FOR RECEIVING ALL COMMUNICATIONS INCLUDING ANNUAL REPORT, NOTICES ETC FROM THE COMPANY ELECTRONICALLY.**

14. In accordance with provision of section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014 the business proposed for the ensuing general Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means (“e-voting”) to its members.

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

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

- |                              |                                     |
|------------------------------|-------------------------------------|
| a) Commencement of E-Voting: | 7th August 2018 (10.00 A.M onwards) |
| b) End of e-voting:          | 9th August 2018 (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 03rd August 2018.

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

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

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

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

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

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

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

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 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) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com.

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

SD/-

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

**Registered Office:**  
E-4, M.I.D.C. Tarapur,  
Boisar, District Palghar  
Maharashtra-401506

Date: June 20, 2018  
Place: Mumbai

**ADDITIONAL INFORMATION ON ITEM NO. 4**

M/S Manish Patel and Company, Chartered Accountants (FRN: 126272W) who were the Company's statutory auditors expressed their unwillingness to continue as the statutory auditors of the Company for F.Y. 2018-19 and has tendered resignation with effect from 28th May 2018) due to preoccupation.

The Board of Directors at their meeting held on June 20, 2018 appointed CNK & Associates LLP with immediate effect (i.e. June 20, 2018) subject to the approval of shareholders in the ensuing 26th Annual General Meeting.

A brief profile of Auditors is given below:

Established in 1936 C N K & Associates LLP is spearheaded by a team of 21 Partners with experience across various industries and verticals. Assembled from diverse backgrounds, CNKs team consists of over 300 personnel and works alongside companies of all sizes.

Headquartered in Mumbai India, with branches in Vadodara, Chennai and Bengaluru and an associate firm in Pune & Ahmedabad, they cater to clients across several geographies and service lines.

The Board of Directors recommend the passing of ordinary resolution at Item No. 4.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM No. 5 & 6.**

Mr. Amit Patel and Mr. Aditya Patel were appointed as Managing Director and Joint Managing Director at the Annual General Meeting held on August 21, 2015 for a period of 3 year. Mr. Amit Patel was appointed as Managing Director for a period of three year commencing from January 01, 2015 to December 31, 2017 and Mr. Aditya Patel was appointed as Jt. Managing Director for a period of three years commencing from June 01, 2015 to May 31, 2018.

The Nomination and Remuneration committee at its meeting held on November 08, 2017 recommended the Board for their appointments as Managing Director and Joint Managing Director respectively for a further period of 5 years.

Accordingly, considering their valuable contribution, commitment and devotion towards the Company, for managing corporate affairs and particularly looking after technical side of production and expansion in hand, the Board of Directors at their meeting held on November 08, 2017 and based on the recommendation of the Nomination and Remuneration Committee has approved their appointments as Managing Director and Joint Managing Director of the Company for a further period of 5 years commencing from January 01, 2018 and June 01, 2018 respectively.

Save and except Mr. Amit Patel and Mr. Aditya Patel and their relatives, to the extent of their shareholding interest in the Company, if any, none of the other Directors of the Company and their relatives are in any way concerned or interested, financially or otherwise, in passing of the resolutions set out at item nos. 5 & 6 of the Notice.

**ITEM No. 7**

The Board of Directors of the Company at their meeting held on June 20, 2018, based on the recommendations of the Nomination & Remuneration Committee, appointed Mr. Sunil Merchant (DIN: 01064306) as an Additional Director (Independent) in terms of Sections 149, 152, 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force), to hold office for a period of 5 (five) consecutive years, not liable to retire by rotation, subject to the approval of the shareholders at the ensuing AGM.

As an Additional Director, Mr. Merchant holds office upto the date of the ensuing AGM and is eligible for being appointed as an Independent Director of the Company. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Merchant for the office of Director of the Company.

The Company has also received a declaration from him confirming that he meets the criteria of independence as prescribed under the Companies Act, 2013 and the Listing Regulations.

He has also confirmed that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

In the opinion of the Board, Mr. Sunil Merchant fulfills the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and is independent of the management of the Company.

The Board of Directors propose the appointment of Mr. Sunil Merchant as a Non-Executive/Independent Director of the Company and recommend the Ordinary Resolution as set out in Item No. 7 of the Notice for the approval of the members at the ensuing AGM.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the proposed Ordinary Resolution as set out in Item No. 7 of this Notice.

Information about the Directors seeking appointment / re-appointment / approval of remuneration etc. as required under clause 1.2.5 of the Secretarial Standard – 2:

Sr. No	Particulars	Names of the Directors		
		Mr. Amit Patel	Mr. Aditya Patel	Mr. Sunil Merchant
1.	Age	64 Years	38 Years	57 Years
2.	Qualification	B.Com	B.A. Economics	B.Com and certificate holds a certificate in textile from Cotton Technology Research Laboratory
3.	Experience (including expertise in specific functional area)/Brief Resume	Industrialist having business experience in Chemical Industry	Businessman having Experience in Chemical Industry	He brings with him an experience of 30 plus years in diverse fields. Presently he is into real estate consulting and is a Director of Merchant Consultants Private Limited Mr. Merchant was associated with Western India Automobile Association since 1998 and was escalated to the level of President of Western India Automobile Association in the year 2002 and held office of President til 2005 for three years. He is also on Board of Federation of Indian Automobile Association, apart from this he is a Board member of Vintage and Classic car club of India. Mr. Merchant served for nine years as member of Balloting committee of Cricket Club of India. Apart from this he was a member of The Royal Bombay Yacht Club and presently is a member of Balloting Committee of The Club Mahableswar
4.	Terms and Conditions of Appointment/Re-Appointment/ approval of remuneration etc.	As mentioned in resolution no. 5 to the Notice	As mentioned in resolution no. 6 to the Notice	As mentioned in resolution no. 7 to the notice read with explanatory statement

Sr. No	Particulars	Names of the Directors					
		Mr. Amit Patel		Mr. Aditya Patel		Mr. Sunil Merchant	
5.	Remuneration last drawn	Particulars	Amount	Particulars	Amount	NA	
		Salary	1,024,920	Salary	685,920		
		Perquisites	-	Perquisites	101,260		
		Commission	400,00	Commission	500,000		
		Total	1,424,920	Total	1,287,180		
6.	Remuneration proposed to be paid	As mentioned in resolution no. 5 to the Notice		As mentioned in resolution no. 5 to the Notice		NA	
7.	Date of first appointment on the Board	June 19, 1992		August 14, 2012		Feb 13, 2015 as Alternate Director of Mr. Hiroshige Tanaka	
8.	Shareholding in the Company	889,665		104,499		NIL	
9.	Relationship with other Directors/Key Managerial Personnel	Father of Mr. Aditya Patel who is Jt. Managing Director and CFO of the Company		Son of Mr. Amit Patel who is Managing Director of the Company		Not related to any of the Directors or Key Managerial Personnel or Promoters of the Company	
10.	Number of meet-ings of the Board attended during the financial year	4		4		4	
11.	Directorships of other Boards	CAFFIL PVT LTD		CAFFIL PVT LTD ERCA SPECIALITY CHEMICALS PRIVATE LIMITED		4	
12.	Membership/ Chairmanship of Committees of other Boards	NIL		Membership: 1 Chairmanship: NIL		NIL	

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

SD/-

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

Date: June 20, 2018  
Place: Mumbai

**DIRECTORS' REPORT**

Dear Members,

Your Directors have immense pleasure in presenting their 26th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

**1. FINANCIAL RESULT**

		(₹ in lakhs)	
		<b>2017-2018</b>	<b>2016-2017</b>
Sales etc. and other income		<u><b>2431.50</b></u>	<u><b>2,888.77</b></u>
<b>Profit before Depreciation, Interest and Tax</b>		<b>409.70</b>	<b>516.39</b>
Less: Depreciation	96.54		147.96
Interest	<u>0.63</u>		<u>1.02</u>
		<u>97.17</u>	<u>148.98</u>
<b>Profit before Tax</b>		<b>312.53</b>	<b>367.41</b>
Provision for Tax			
Current Tax	(100.00)		(147.00)
Deferred Tax	27.20		23.31
Earlier Years	<u>-</u>		<u>0.72</u>
		<u>(72.80)</u>	<u>(122.97)</u>
Provision for Diminution in value of investment		<u>---</u>	<u>---</u>
<b>Profit after Tax</b>		<u><b>239.73</b></u>	<u><b>244.44</b></u>

**2. OPERATIONS**

During the year under review, your Company Revenue from operations has declined by 16% i.e. from 2,888.77 lakh in previous year to 2,431.49 lakh.

**3. DIVIDEND**

The Board of Directors is pleased to recommend the final dividend of ₹ 1.2/- per Equity share of 10/- each.

**4. DEPOSITS**

The Company has not accepted any deposits from the public during the year under review.

**5. EXTRACT OF ANNUAL RETURN**

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

**6. TRANSFER TO GENERAL RESERVES**

The Company doesn't propose to transfer any amount to be transferred to General Reserves.

**7. DIRECTORS' AND KEY MANAGERIAL PERSONNEL****A. Independent Directors:**

The Company as on the date of this report has three Independent Directors on Board:

1. Mr. Sudhir Patel
2. Mr. Jagdish Vasa
3. Mr. Sunil Merchant\*

\*Mr. Sunil Merchant who was alternate Director of Mr. Hiroshige Tanaka has been appointed as Additional Independent Director by the Board of Directors at their Meeting held on June 20, 2018.

All Independent Directors have furnished declarations that they meet the criteria of Independence as laid down under section 149 of the Companies Act, 2013.

A separate meeting of the Independent Directors was convened on 8th November 2017, which reviewed the performance of the Board, the Non-Independent Directors and the Chairman.

**B. Retire by Rotation:**

Mr. Amit Patel retires by rotation at the ensuing Annual General Meeting. He, being eligible, has offered himself for re-appointment as the Director of the Company.

**C. Meetings of Board and Committee:**

During the financial year under review the Board met 4 times, Audit Committee met 4 times, Nomination and Remuneration Committee met twice and Stakeholders relationship committee met thrice. 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. Further As per para 2.2 of Secretarial Standard-1 issued by Institute of Company Secretaries of India, the Board has set the minimum number and frequency of Committee meetings.

**i. Meetings of the Board and Attendance thereof:**

The details of the meetings of the Board along with their attendance thereof have been provided in the Corporate Governance Report which forms part of this Annual Report.

**ii. Committees of the Board:**

The Board of Directors has following committees:

- i. Audit Committee;
- ii. Stakeholders' Relationship Committee;
- iii. Nomination and Remuneration Committee.

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

**D. Performance 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 Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, its committees and that of its individual Directors.

**E. Key Managerial Personnel:**

The Board of Directors at their meeting held on November 08, 2017 has re-appointed Mr. Amit Patel as Managing Director and Mr. Aditya Patel as Joint Managing Director of the Company for a further period of five years.

Accordingly, resolutions proposing their re-appointments have been incorporated in the Notice calling the ensuing Annual General Meeting for the approval of Members and all the relevant information pertaining to their re-appointments have been incorporated in the explanatory statement to the Notice calling the ensuing annual general meeting.

Ms. Amit Vishwakarma ceased to be the Company Secretary of the Company with effect from October 05, 2017.

The Board of Directors at its meeting held on November 08, 2017 appointed Ms. Minal Ladda as the Company Secretary and Compliance officer of the Company with effect from November 08, 2017.

**F. Cessation of Directors:**

Dr. Giuseppe Seccomandi tendered his resignation w.e.f. May 15, 2018 and accordingly his alternate director Mr. Rajiv Gandhi also ceased to be the Director of the Company as per the provisions of section 161 of the Companies Act, 2013.

Mr. Hiroshige Tanaka tendered his resignation w.e.f. June 15, 2018 and accordingly his alternate director Mr. Sunil Merchant also ceased to be the Director of the Company as per the provisions of section 161 of the Companies Act, 2013.



## **G. Appointments:**

The Board of Directors at their meeting held on June 20, 2018 has appointed Mr. Sunil Merchant as Additional Director under the category of Non Executive/Independent Director and accordingly a resolution proposing his appointment forms part of the Notice.

## **H. Policy on Directors' Appointment and Remuneration:**

The Nomination and Remuneration Committee of the Board formulated a Policy relating to the appointment, remuneration of Directors, Key Managerial Personnel and other Employees which, inter alia, prescribes criteria for determining qualifications, positive attributes and independence of Directors. The Policy is available on the web site of the Company [www.daikaffil.com](http://www.daikaffil.com) and the link for the same is provided below:

<http://www.daikaffil.com/products/101017045532-1.pdf>

## **8. 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.

## **9. CONSOLIDATED FINANCIAL STATEMENT**

The Audited Consolidated Financial Statement for the financial year ended March 31, 2018, 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.

## **10. AUDITORS**

### **a. Statutory Auditors:**

At the Annual General Meeting held on August 21, 2015 M/s. Manish Patel and Company, Chartered Accountants, Mumbai, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2019-2020. M/s. Manish Patel and Company Chartered Accountants have carried out the audit of F.Y. 2017-18 i.e. upto March 31, 2018 and has issued audit report upto March 31, 2018.

**Further, there is no qualification, adverse remark or observation in their audit report.**

The Auditor M/s. Manish Patel and Co., have expressed their unwillingness to continue and has resigned with effect from May 28, 2018. The Board of Directors at their meeting held on June 20, 2018 has appointed C N K & Associates LLP, Chartered Accountants, Mumbai, bearing Firm Registration Number: 101961 W/ W-100036 as new statutory auditors of the Company.

As required by the provisions of the Companies Act, 2013, their appointment is to be approved by the members at the general meeting. Accordingly, requisite resolution forms part of the notice convening the AGM.

The Company has received Eligibility certificate letter from them to the effect that their appointment, 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 appointment.

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

### **b. Secretarial Auditor**

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"**.

**Further there is no adverse remark, qualifications or observations contained in the secretarial audit report.**

**c. Internal Auditor:**

As required under Section 138 of the Companies Act, 2013 and Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit function is carried out by JMT & Associates, Chartered Accountants. The Internal Auditors present their report to the Audit Committee. The scope, functioning, periodicity and methodology for conducting the internal audit has been formulated in consultation with the Audit Committee and the Board of Directors.

**11. CORPORATE GOVERNANCE REPORT**

The Company has made a Non-Mandatory disclosure 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 report is 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.

**12. MANAGEMENT DISCUSSION AND ANALYSIS**

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".

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

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

**14. 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:	1820.88
Foreign Exchange Outgo:	485.95

**15. 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.

**16. 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.

**17. SUBSIDIARY / ASSOCIATE COMPANY etc.**

The Company doesn't have any subsidiary or holding company. The Company has an Associate company viz M/s Erca Speciality Chemicals Private Limited.

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

**18. RELATED PARTY TRANSACTIONS:**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All Related Party Transactions are placed before the Audit Committee.

## 19. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS & EMPLOYEES

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

The link for the same has been provided below:

<http://www.daikaffil.com/products/010415064143-1.PDF>

## 20. 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;

## 21. SECRETARIAL STANDARDS:

The Directors confirm that the Company is in compliance with applicable secretarial standards issued by Institute of Company Secretaries of India.

## 22. 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.

## 23. 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.

## 24. 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 Directors,  
**DAKAFFIL CHEMICALS INDIA LIMITED**

SD/-  
**AMIT PATEL**  
Managing Director  
(DIN: 00005232)

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

Date: June 20, 2018

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2018**

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

**I. REGISTRATION & OTHER DETAILS:**

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

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

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

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

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1 Indian</b>									
a) Individual/ HUF	1,312,774	-	1,312,774	21.88	1,321,074	-	1,321,074	22.02	0.14
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	503,300	-	503,300	8.39	530,300	-	530,300	8.39	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	118,500	-	118,500	1.98	89,925	-	89,925	1.50	-0.48
<b>Sub Total (A) (1)</b>	<b>1,934,574</b>	<b>-</b>	<b>1,934,574</b>	<b>32.24</b>	<b>1,914,299</b>	<b>-</b>	<b>1,914,299</b>	<b>31.91</b>	<b>-0.34</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Body Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total ShareHolding of Promoters (A) = (A) (1) + (A) (2)	<b>1,934,574</b>	<b>-</b>	<b>1,934,574</b>	<b>32.24</b>	<b>1,914,299</b>	<b>-</b>	<b>1,914,299</b>	<b>31.91</b>	<b>(0.34)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	1,500	1,500	0.03	-	-	-	-	0.03
b) Banks / FI	-	7,900	7,900	0.13	-	7,900	7,900	0.13	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Co.	-	-	-	-	-	-	-	-	-
g) FPI	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>9,400</b>	<b>9,400</b>	<b>0.16</b>	<b>-</b>	<b>7,900</b>	<b>7,900</b>	<b>0.13</b>	<b>0.03</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,211,345	214,625	1,425,970	23.77	1,421,756	154,825	1,576,581	26.28	2.51
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	912,425	109,600	1,022,025	17.03	848,969	32,800	881,769	14.70	(2.34)
c) Others (specify)									
HUF	191,542	-	191,542	3.19	209,245	-	209,245	3.49	0.30
Non Resident Indians	138,000	44,500	182,500	3.04	52,593	28,000	80,593	1.34	(1.70)
Overseas Corporate Bodies (H.G.E. Chemicals Company S.A.)	-	749,700	749,700	12.50	-	749,700	749,700	12.50	0.00
Foreign Nationals	-	245,000	245,000	4.08	0	245,000	245,000	4.08	0.00
Clearing Members	29,421	-	29,421	0.49	30,925	-	30,925	0.52	0.03
Trusts	-	-	-	-	-	-	-	-	-
Bodies Corporate	205,768	4,100	209,868	3.50	188,943	3,100	192,043	3.20	(0.30)
Investor Education Protection Fund	-	-	-	-	111,945	-	111,945	1.87	1.87
<b>Sub-total (B)(2):-</b>	<b>2,688,501</b>	<b>1,367,525</b>	<b>4,056,026</b>	<b>67.60</b>	<b>2,864,376</b>	<b>1,213,425</b>	<b>4,077,801</b>	<b>67.96</b>	<b>0.36</b>
<b>Total Public Shareholding (B) = (B) (1) +(B)(2)</b>	<b>2,688,501</b>	<b>1,376,925</b>	<b>4,065,426</b>	<b>67.76</b>	<b>2,864,376</b>	<b>1,221,325</b>	<b>4,085,701</b>	<b>68.09</b>	<b>0.39</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4,623,075</b>	<b>1,376,925</b>	<b>6,000,000</b>	<b>100</b>	<b>4,778,675</b>	<b>1,221,325</b>	<b>6,000,000</b>	<b>100</b>	<b>-</b>

(ii) Shareholding of Promoter

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Patel Amit Jayant	927,475	15.46	-	889,665	14.83	-	(0.63)
2	Caffil Private Limited	503,300	8.39	-	503,300	8.39	-	0.00
3	Gita Amit Patel	183,300	3.06	-	183,300	3.06	-	0.00
4	Patel Aditya Amit	104,499	1.74	-	104,499	1.74	-	0.00
5	Aruna Vinodchandra Merchant	60,000	1.00	-	60,000	1.00	-	0.00

# DAIKAFFIL

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	
6	Nitin Prabhudas Bhagat	50,000	0.83	-	50,000	0.83	-	0.00
7	Padmanabh Vinodchandra Merchant.	49,950	0.83	-	29,675	0.50	-	(0.33)
8	Mita Bhagat	25,000	0.42	-	25,000	0.42	-	0.00
9	Sishir Rasik Amin	8,300	0.19	-	0	0.00	-	(0.14)
10	Surbhi Kishore Tanna	200	0.003	-	200	0.0033	-	0.00
11	Kishore Jagjivandas Tanna	50	0.0008	-	50	0.0008	-	0.00
12	Amit Jayant Patel Huf .	7,500	0.13	-	45,310	0.76	-	0.63
13	Dhwani Aditya Patel	7,500	0.13	-	15,800	0.26	-	0.14
14	Aditya A Patel Huf .	7,500	0.13	-	7,500	0.13	-	0.00
	Total	19,34,574	32.24	-	1,914,299	31.91	-	(0.34)

### (iii) Change in Promoters' Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Patel Amit Jayant	927475	15.4579			927475	15.4579
	Transfer			14 Apr 2017	-37810	889665	14.8278
	At The End Of The Year					889665	14.8278
2	Caffil Private Limited	503300	8.3883			503300	8.3883
	At The End Of The Year					503300	8.3883
3	Gita Amit Patel	183300	3.0550			183300	3.055
	At The End Of The Year					183300	3.055
4	Patel Aditya Amit	104499	1.7417			104499	1.7417
	At The End Of The Year					104499	1.7417
5	Aruna Vinodchandra Merchant	60000	1.0000			60000	1
	At The End Of The Year					60000	1
6	Nitin Prabhudas Bhagat	50000	0.8333			50000	0.8333
	At The End Of The Year					50000	0.8333
7	Amit Jayant Patel Huf .	7500	0.1250			7500	0.125
	Transfer			14 Apr 2017	37810	45310	0.7552

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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
	At The End Of The Year					45310	0.7552
8	Padmanabh Vinodchandra Merchant.	49950	0.8325			49950	0.8325
	Transfer			10 Nov 2017	-15275	34675	0.5779
	Transfer			12 Jan 2018	-5000	29675	0.4946
	At The End Of The Year					29675	0.4946
9	Mita Bhagat	25000	0.4167			25000	0.4167
	At The End Of The Year					25000	0.4167
10	Dhwani Aditya Patel	7500	0.1250			7500	0.125
	Transfer			21 Apr 2017	8300	15800	0.2633
	At The End Of The Year					15800	0.2633
11	Aditya A Patel Huf .	7500	0.1250			7500	0.125
	At The End Of The Year					7500	0.125
12	Surbhi Kishore Tanna	200	0.0033			200	0.0033
	At The End Of The Year					200	0.0033
13	Sishir R Amin	8300	0.1383			8300	0.1383
	Transfer			21 Apr 2017	-8300	0	0
	At The End Of The Year					0	0
14	Kishore J. Tanna	50	0.0008			50	0.0008
	At The End Of The Year					50	0.0008



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	H.G.E. CHEMICAL COMPANY S.A.	749700	12.495			749700	12.495
	At The End Of The Year					749700	12.495
2	Yoshiaki Tagami	245000	4.0833			245000	4.0833
	At The End Of The Year					245000	4.0833
3	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	0	0	29-11-2017 05-12-2017	106900 5045		
	At The End Of The Year					111945	1.8658
4	Pharmasynth Formulations Ltd.	102178	1.703			102178	1.703
	At The End Of The Year					100000	1.6667
5	Lincoln P Coelho	100000	1.6667			100000	1.6667
	At The End Of The Year					100000	1.6667
6	JAIN PAL JAIN	99233	1.6539			99233	1.6539
	AT THE END OF THE YEAR					99233	1.6539
7	Jain Pal Jain	85565	1.4261			85565	1.4261
	At The End Of The Year					85565	1.4261
8	Vijay Prakash Gupta	64340	1.0723			64340	1.0723
	At The End Of The Year					64340	1.0723
9	Vijit Gupta	61954	1.0326			61954	1.0326
	At The End Of The Year					61954	1.0326
10	Harsha Hitesh Javeri	59500	0.9917			59500	0.9917
	At The End Of The Year					59500	0.9917

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. AMIT PATEL	927,475	15.45	889,665	14.83
2	Mr. ADITYA PATEL	104,499	1.74	104,499	1.74

**V. INDEBTEDNESS**

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

(Amt. ₹/Lacs)

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

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

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Amit Patel	Aditya Patel	
1	Gross Salary			
	(a) Salary As Per Provisions Contained In Section 17(1) Of The Income-Tax Act, 1961	1,024,920	685,920	1,710,840
	(B) Value Of Perquisites U/S 17(2) Income-Tax Act, 1961	-	101,260	101,260
	(C) Profits In Lieu Of Salary Under Section 17(3) Income- Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	400,000.00	500,000.00	900,000.00
	- As % Of Profit			-
	- Others, Specify			-
5	Others, Please Specify	-	-	-
	Total (A)	14,24,920	1,287,180	27,12,100
	Ceiling As Per The Act	5% of Profit	5% of profit	

**B. Remuneration to other Independent directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rupees)
		SUDHIR PATEL	JAGDISH VASA	SUNIL MERCHANT	
<b>1</b>	<b>Independent Directors</b>				
	Fee For Attending Board Committee Meetings	110,000	90,000	97,500	297,500
	Commission	50,000	50,000	50,000	150,000
	Others, Please Specify				-
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>Maithili Siswawala</b>			-
	Fee For Attending Board Committee Meetings	15,000			15000
	Commission				-
	Others, Please Specify	50,000			50,000
	Total (2)				
	Total (B)=(1+2)	225,000	140,000	147,500	512,500
	Overall Ceiling As Per The Act				

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

SN.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary		
		Amita Vishwakarma	Minal Ladda	
	Designation	(Resigned)	(Appointed)	
		Upto October 5th , 2017	W.e.f October 01, 2017	
1	Gross Salary			
	(a) Salary As Per Provisions Contained In Section 17(1) Of The Income-Tax Act, 1961	178,554	105,000	283,554
	(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	178,554	105,000	283,554

**VII. Penalties/Punishment/Compounding of Offences (Under the Companies Act) : None**

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

SD/-

**AMIT PATEL**

Managing Director  
(DIN: 00005232)

SD/-

**ADITYA PATEL**

Jt. Managing Director  
(DIN: 00005276)

Date: June 20, 2018  
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, 2018**

To,  
The Members,

**Daikaffil Chemicals India Limited**  
Mumbai

Dear Members,

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, 2018 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, 2018 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

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

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

Place: Mumbai  
Date: 23-04-2018

SD/-  
**DINESH KUMAR DEORA**  
**PRACTISING COMPANY SECRETARY**  
FCS NO. 5683  
COP NO. 4119

**ANNEXURE A**

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

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

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

Place: Mumbai  
Date: 23-04-2018

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

**CORPORATE GOVERNANCE REPORT**

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

Company’s Policies on the Corporate Governance and due Compliance Report on specific areas wherever applicable for the year ended 31st March, 2018 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 regulations, Consistency in disclosures 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 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 directors 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 Directors which is equal to the requirement as stipulated in Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board consists of Six directors (Excluding Alternate Directors) out of which 3 are Independent Directors, 1 is Non-Executive Women Director, and 2 are Executive Promoter Director’s.

The following are the composition of the Board as on date

<b>Sr No.</b>	<b>Name of Director</b>	<b>Category</b>	<b>Designation</b>
1.	Mr. Sudhir Patel	Non Executive Independent	Chairman – Independent Director
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.	<sup>1</sup> Dr. Giuseppe Seccomandi	Non Executive Independent	Director (Upto May 15, 2018)
6.	<sup>2</sup> Mr. Hiroshige Tanaka	Non Executive Independent	Independent Director (upto June 15, 2018)
7.	<sup>1</sup> Mr. Rajiv Gandhi	Non Executive	Alternate to Dr. G. Seccomandi (Upto May 15, 2018)
8.	<sup>2</sup> Mr. Sunil Merchant	Non-Executive Independent	Alternate to Mr. Hiroshige Tanaka (upto June 15, 2018) and appointed as Additional Director w.e.f. June 20, 2018
9.	Mrs. Maithili Siswawala	Non Executive (Woman Director)	Director

Note:1. Dr. Giuseppe Seccomandi resigned w.e.f. May 15, 2018 and accordingly Mr. Rajiv Gandhi who was his alternate director also ceases to be the Director of the Company.

2. Mr. Sunil Merchant who was alternate director of Mr. Hirschige Tanaka has been appointed as additional director on Board w.e.f. June 20, 2018

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

During the financial year 2017-18, the Board met four times on 16th May 2017, 11th August 2017, 8th November 2017, and 12th February 2018. There was a gap of not more than 120 days between two consecutive meetings.

The Meetings were attended as follows.

	Name of Director	No. of Board Meeting Attended			
		16.5.2017	11.08.2017	08.11.2017	12.02.2018
1.	Mr. Sudhir Patel	✓	✓	✓	✓
2.	Mr. Amit Patel	✓	✓	✓	✓
3.	Mr. Aditya Patel	✓	✓	✓	✓
4.	Mr. Jagdish Vasa	x	✓	✓	✓
5.	Dr. Giuseppe Seccomandi	x	*✓	x	x
6.	Mr. Hiroshige Tanaka	*✓	*✓	*✓	*✓
7.	Mr. Rajiv Gandhi	x	✓	x	x
8.	Mr. Sunil Merchant	✓	✓	✓	✓
9.	Mrs. Maithili Siswawala	x	✓	x	x

*\*Meetings were attended by their Alternate Directors*

Mr. Amit Patel, Mr. Aditya Patel and Mr. Sunil Merchant attended the last Annual General Meeting held on 4th August 2017.

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

Sr No.	Name of Director	No. of Other Director-ships	No. of other Board/ Committee(s) of which He/she is	
			Member	Chairman
1.	Mr. Sudhir Patel	3	2	0
2.	Mr. Amit Patel	1	Nil	Nil
3.	Mr. Aditya Patel	2	Nil	Nil
4.	Mr. Jagdish Vasa	1	Nil	Nil
5.	Dr. Giuseppe Seccomandi	Nil	Nil	Nil
6.	Mr. Hiroshige Tanaka	Nil	Nil	Nil
7.	Mr. Rajiv Gandhi	4	2	2
8.	Mr. Sunil Merchant	3	Nil	Nil
9.	Mrs. Maithili Siswawala	Nil	Nil	Nil

(1) Directorships of Indian Public Companies are provided in the above table.

(2) As required by Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the disclosure includes membership/chairmanship of Audit Committee and Stakeholders Relationship Committee in Indian Public Companies.

**(d) Relationships between Directors Inter-se**

Mr. Amit Patel (Father) and Mr. Aditya Patel (Son) are related to each other. None of the other Directors are related to each other.



**III. AUDIT COMMITTEE:**

The Audit Committee of the Board of Directors of the Company, inter-alia, provides an assurance to the Board on the adequacy of internal control systems and financial disclosures and scope of audit and also provides timely observation and review of financial statement before their submission and also discuss related issues with the internal and statutory auditors and the management of the Company. The scope of the Audit Committee is in accordance with and as specified in Regulation 18 of SEBI (LODR) and section 177 of Companies Act 2013.

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

- recommend the appointment, remuneration and terms of appointment of auditors
- review and monitor the auditor's performance, and effectiveness of audit process;
- examine financial statement and the auditors' report thereon;
- approve subsequent modification of transactions of the Company with related parties;
- scrutinize inter-corporate loans and investments;
- evaluate undertakings or assets of the Company, wherever it is necessary;
- evaluate internal financial controls and risk management systems;
- monitor the end use of funds raised through public offers and related matters

**ii. Composition, Meetings and Attendance 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	16.5.2017	11.08.2017	08.11.2017	12.02.2018
1.	Mr. Sudhir Patel	Chairman	✓	✓	✓	✓
2.	Mr. Aditya Patel	Member	✓	✓	✓	✓
3.	Mr. Jagdish Vasa	Member	x	✓	✓	✓
4.	Mr. Sunil Merchant* (Alternate to Mr. Hiroshige Tanaka)	Member	N.A.	✓	✓	✓

\*Mr. Sunil Merchant was appointed as member w.e.f. 11th August 2017. Thereafter due to resignation of Mr. Tanaka he ceased to be a Director. Again he was re-appointed by the Board of Directors as Member of the Committee on June 20, 2018 consequent to his appointment as Additional Director w.e.f. June 20, 2018

The Representative of Chairman and Member of the Audit Committee were present at the Annual General Meeting held on 4th August 2017

**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 as senior management and recommend the same to the Board.
- To formulate the criteria for determining qualifications, positive attributes and independence of the Directors and recommend to the Board a policy, relating to the remuneration for the Directors, Key managerial personnel and other employees.

**(ii) Composition of the Committee**

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

Sr No.	Name of Director	Category	No. of Meetings Attended	
			16.05.2017	08.11.2017
1.	Mr. Jagdish Vasa	Chairman	x	✓
2.	Mr. Sudhir Patel	Member	✓	✓
3.	Mr. Sunil Merchant* (Alternate to Mr. Hiroshige Tanaka)	Member	✓	✓

\*Mr. Sunil Merchant was appointed as member w.e.f. 11th August 2017. Thereafter due to resignation of Mr. Tanaka he ceased to be a the Director. Again he was re-appointed by the Board of Directors as Member of the Committee on June 20, 2018 consequent to his appointment as Additional Director w.e.f. June 20, 2018

**(iii) Remuneration Policy**

The details Nomination and Remuneration policy is available on the website of the Company at <http://www.daikaffil.com/investor-column.aspx>.

**(iv) Performance Evaluation Criteria**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as Composition and role of the Board and its Committees, Board and Committee procedures, execution and performance of duties, obligations and governance.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

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

The remuneration of Managing/Whole-time Directors as decided on the recommendation of the Nomination and Remuneration Committee 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 2017-18 are as under:

Name	Salary (₹)	Perquisites (₹)	Commission(₹)	Total (₹)
Mr. Amit Patel	1,024,920	-	400,000	1,424,920
Mr. Aditya Patel	685,920	101,260	500,000	1,287,180

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

Name of the Non-Executive Director	Sitting Fees paid during the period 01.04.2017 to 31.03.2018 (₹)
Mr. Sudhir Patel	110,000
Mr. Jagdish Vasa	90,000
Mr. Sunil Merchant	97,500
Mr. Rajiv Gandhi*	-
Mrs. Maithili Siswawala	15,000

\*sitting fees paid to Mr. Rajeew Gandhi through cheque is not yet presented to bank by him and has voluntarily waived his right to receive the fees, hence amount shown above stands NIL.

\*\* Apart from sitting fees no other pecuniary relationship or transaction exists between the Non-Executive Director and the Company

## V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of Three Directors out of whom two are independent and one is Executive. 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	No. of Meetings Attended		
			11.08.2017	08.11.2017	12.02.2018
1.	Mr. Jagdish Vasa	Chairman	✓	✓	✓
2.	Mr. Aditya Patel	Member	✓	✓	✓
3.	*Mr. Rajiv Gandhi (Alternate to Dr. Giuseppe Seccomandi)	Member	✓	×	×

\*Ceases to be a Director due to resignation of Mr. Giuseppe Seccomandi w.e.f. May 15, 2018. Consequent to cessation of Mr. Rajiv Gandhi, the Board of Director at their meeting held on May 28, 2018 appointed Mr. Sunil Merchant, Alternate Director of Mr. Hiroshige Tanaka as Member of Stakeholders Relationship Committee w.e.f. May 28, 2018.

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

Ms. Minal Ladda, 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@daikaffil.com

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

The Company as on March 31, 2018 has 3889 shareholders. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was as under:

Opening Balance	Received during the year	Resolved during the year	Pending at the Year End
-	06	06	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
23rd	FRIDAY	21.08.2015	10.00 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Palghar, Maharashtra-401506
24th	FRIDAY	02.09.2016	10.00 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Palghar, Maharashtra-401506
25th	FRIDAY	04.08.2017	10.00 A.M.	Hotel Sarovar Residency, Near Hotel Sarovar, P-180, Tarapur M.I.D.C. Area, Chitralay, Boisar West, Dist. Palghar, Maharashtra-401506

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

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

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

## VII. DISCLOSURES:

(i) No penalties have been imposed on the Company by the Stock Exchanges or The Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.

(ii) The Company has adopted a Code of Conduct for its Directors and employees. This Code of Conduct has been communicated to each of them.

- (iii) The Nomination and Remuneration Committee formulated the policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the role of the nomination and remuneration committee as specified as in Part D of the Schedule II under Regulation 19(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- (iv) The Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism in compliance with section 177 read with Rules framed there under, and. Regulation 22 of the SEBI (LODR) Regulations, 2015. None of the personnel has been denied access to the Audit Committee.
- (v) The Company has complied with all the mandatory requirements of Listing Regulation. As per regulation 15 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 certain regulations are exempt. However, the Company has voluntarily adopted certain requirements of which are exempted under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- (vi) The Company has adopted Policy for Preservation of Documents, as required under Regulation 9 of the SEBI (LODR) Regulations, 2015.
- (vii) The Company has adopted Risk Management Policy, as required under Regulation 21 of the SEBI (LODR) Regulations, 2015.
- (viii), There were no instances for which details are to be furnished of non-compliance, penalties, strictures imposed by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;
- (ix) Documents placed on the website of the Company:  
The following documents have been placed on the website in compliance with the Act:
  - (a) Terms and Conditions of Appointment of Independent Directors.
  - (b) Composition of Various Committees of Board of Directors.
  - (c) Details of unpaid dividend as per Section 124(2).
  - (d) Shareholding Pattern.
  - (e) Financial information notice of meeting of the board of directors where financial results shall be discussed, financial results, on conclusion of the meeting of the board of directors where the financial results were approved.
  - (f) complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc.
  - (g) Details of vigil mechanism for the directors and employees to report genuine concerns as per proviso to Section 177(10);

**VIII. MEANS OF COMMUNICATION:**

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

**IX. GENERAL SHAREHOLDER INFORMATION:**




(a)	<b>AGM to be held</b>	The 26th Annual General Meeting will be held on Friday 10th Day of August, 2018 at 10.00 A.M. at HOTEL SAROVAR RESIDENCY, NEAR HOTEL SAROVAR, P-180, TARAPUR M.I.D.C AREA, CHITRALAY, BOISAR WEST, DIST.PALGHAR, 401 506 ☎ 02525260297/260298
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(b)	<b>Financial Year</b>			
	First Quarterly Results:	Before end of 15th August, 2018		
	Second Quarterly Results	Before end of 15th November, 2018		
	Third Quarterly Results	Before end of 15th February, 2019		
	Audited yearly Results for the year ended 31st March 2019	Before end of May, 2019		
(c)	<b>Dividend payment date</b>		On or after 10th August, 2018 to those members whose names stand registered on the Company's Register of Members as on 3rd August, 2018.	
(d)	<b>The name and address of stock exchange(s) at which the listed Entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange</b>		BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra 400001 Annual listing fees was paid on 23rd April 2018	
(e)	<b>Stock code</b>		530825	
(f)	<b>Market price data- high, low during each month in last financial year</b>			
	<b>Period</b>	<b>BSE</b>		
		<b>High (₹)</b>	<b>Low (₹)</b>	<b>Volume (Nos.)</b>
	Apr-17	81.00	63.30	2,25,449
	May-17	78.00	58.10	2,18,058
	Jun-17	63.45	58.00	68,498
	Jul-17	85.00	59.75	3,82,667
	Aug-17	75.60	55.50	1,94,249
	Sep-17	71.55	57.60	1,80,877
	Oct-17	79.90	63.00	2,67,791
	Nov-17	79.90	60.15	2,82,880
	Dec-17	73.50	61.00	1,38,992
	Jan-18	94.00	65.15	7,77,498
	Feb-18	84.20	58.50	1,80,922
	Mar-18	72.75	54.65	1,04,261
(g)	<b>Registrar and Transfer Agents</b>		Link Intime India Private Limited ✉ C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 ☎ +91 22 49186000, 📠 +91 22 49186060 📧 rnt.helpdesk@linkintime.co.in	

<b>(h) Distribution of Shareholding</b>				
<b>No of Equity Shares held</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>
1-500	3187	80.8268	509456	8.4909
501-1000	358	9.0794	301438	5.0240
1001-2000	176	4.4636	272802	4.5467
2001-3000	73	1.8514	183138	3.0523
3001-4000	31	0.7862	111474	1.8579
4001-5000	28	0.7101	133405	2.2234
5001-10000	40	1.0145	292709	4.8785
10001 & above	50	1.2681	4195578	69.9263
<b>Grand Total</b>	<b>3943</b>	<b>100.0000</b>	<b>60000000</b>	<b>100.0000</b>

(i)	Dematerialization of Shares and Liquidity	79.64% of equity shares of the have been dematerialized (CDSL: 51.54% and NSDL: 28.10%) as on March 31, 2018. The Companys equity shares are included In the list of companies whose scrips have been mandated by SEBI for settlement only in dematerialized form by all institutions and all investors. The Company had signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services whereby shareholders have an option to dematerialize their shares with either of the depositories.
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(j)	Plant Locations	The Company has a single plant located at Plot No. E/4, MIDC, Tarapur, Dist. Palghar, Maharashtra
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(k)	Address for correspondence	 52, Nariman Bhavan, Nariman Point, Mumbai – 400 021.  022-6106600 - 12  info@daikaffil.com
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For and on behalf of the Board of Director,  
**DAIKAFFIL CHEMICALS INDIA LIMITED**

SD/-

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

SD/-

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

Date: May 28, 2018  
Place: Mumbai

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

**The Members,**

**Daikaffil Chemicals India Limited.**

We have examined the compliance of conditions of Corporate Governance by Daikaffil Chemicals India Limited, for the year ended March 31, 2018 as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and under regulation 34(3) of the Securities and Exchange Board of India ('Listing Obligations and Disclosure Requirements') Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our responsibility is limited to examining 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.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the guidance note on certification of corporate governance issued by the Institute of Chartered Accountants of India, the standards on auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the guidance note on reports or certificates for special purposes issued by the Institute of Chartered Accountants of India which require that we comply with the ethical requirements of the Code of ethics issued by Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the standard of quality control (SQC-1), Quality Control for Firms that perform audit and reviews of historical financial information and other assurance and related service engagements.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended 31st March, 2018.

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**

SD/-

**MANISH PATEL**

Proprietor

Membership No.107367

Date: May 28, 2018

Place: Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE & DEVELOPMENT

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

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

### FINANCIAL AND OPERATIONAL PERFORMANCE

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

	F.Y. 2017-18	F.Y. 2016-17
Sales Growth [ % ]	(-) <b>14.00%</b>	(-)4.85%
Domestic Sales Growth [%]	(-) <b>44.00%</b>	(-)30.19%
Export Sales Growth [%]	(-) <b>3.00%</b>	10.28%

Your company's total sales revenue for the year comprises domestic sales of ₹ 4.00 Crores [P.Y. ₹ 7.10Crores] and export sales of ₹ 18.21 Crores [P.Y. ₹ 18.80 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 and may increase capacity subject to approval from Maharashtra Pollution Control Board.



## 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 For wardsand future contracts. The company has not facedany significant negative impact on profitability on account of currency fluctuation in financial year 2017-2018).

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's 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, Structure safety meetings were held and safety programmes were organised for them throughout the year.

The total numbers of person employed in your company as on March 31, 2018 were 63.

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

SD/-

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

SD/-

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

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

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

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

Name of the Director/Key Managerial Personnel	Designation	Directors Remuneration (₹)	Ratio	Increase (%)
<b>Executive Directors</b>				
Amit Patel	Managing Director	1,024,920	4.46:1	13.58
Aditya Patel	Jt. M.D. and C.F. O	787,180	3.50:1	(2.40)
<b>Non-Executive Directors (Sitting Fees)</b>				
Mr. Sudhir Patel	Director	110,000	0.49:1	NIL
Mr. Jagdish Vasa	Director	90,000	0.40:1	(21.74)
Mr. Sunil Merchant	Director	97,500	0.43:1	62.50
Mr. Rajiv Gandhi	Director	-	0.00:1	(100)
Mrs. Maithili Siswawala	Director	15,000	0.07:1	(66.67)
Ms. Amita Vishwakarma	Company Secretary	178,554	0.79:1	NA
Ms. Meenal Ladda	Company Secretary	105,000	0.47:1	NA

- (b) Median remuneration of the Company for all its employees is 2,24,851/- for the financial year 2017-18.
- (c) the number of permanent employees on the rolls of Company: 63
- (d) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

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

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

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

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

SD/-

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

SD/-

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

**Form AOC-1**

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

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

<b>A. ERCA SPECIALITY CHEMICALS PRIVATE LIMITED</b>		
<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Latest audited Balance Sheet Date	31-03-2018
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	N.A.
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 ₹)	5,56,593
6.	Profit/Loss for the year	
	i. Considered in Consolidation (in ₹)	(69,835)
	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**

SD/-

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

SD/-

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

Date: June 20, 2018

Place: Mumbai

**5 YEARS' HIGHLIGHTS**

₹ In Lacs

PARTICULARS	2013-14	2012-13	2015-16	2016-17	2017-18
<b>Sales &amp; other Income</b>	<b>3,628.13</b>	<b>3,244.71</b>	<b>3,006.95</b>	<b>2,888.77</b>	<b>2,431.50</b>
Materials Consumed	2,133.80	1,959.98	1,791.57	1,537.18	1,338.59
Excise Duty	259.09	204.22	207.74	189.77	65.15
Employees Cost	210.63	198.94	229.62	229.37	230.10
Interest & Finance Charges	30.87	30.00	9.64	2.27	2.17
Depreciation	61.04	56.18	39.70	147.96	96.54
Other Expenses	701.18	647.57	410.66	414.80	386.42
<b>Profit/(Loss) / After Tax &amp; Exceptional Item</b>	<b>231.52</b>	<b>147.82</b>	<b>318.02</b>	<b>367.42</b>	<b>312.53</b>
Exceptional Items					
Diminution in value of Investments	(2.20)	-	-	-	-
Excess Depreciation charged in previous year		0.97			
Provision for Current Tax	(80.00)	(49.33)	(94.00)	(146.28)	(100.00)
MAT Credit Entitlement	-	(2.58)	-	-	-
Provision for Deferred Tax ( Charge) / Credit	(5.77)	0.63	(13.82)	23.31	27.20
<b>Profit/ (Loss) After Tax &amp; Exceptional Items</b>	<b>143.55</b>	<b>97.51</b>	<b>210.20</b>	<b>244.45</b>	<b>239.73</b>
Equity Dividend	48.00	30.00	60.00	102.00	72.00
<b>Equity Dividend %</b>	<b>8%</b>	<b>5%</b>	<b>10%</b>	<b>17%</b>	<b>12%</b>
Tax on Equity Dividend	8.16	5.10	12.28	20.88	14.74
<b>Retained Earnings</b>	<b>87.39</b>	<b>62.41</b>	<b>137.92</b>	<b>121.57</b>	<b>152.99</b>
Earning per Share	2.39	1.63	3.50	4.07	4.00

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Daikaffil Chemicals India Limited Report on the Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Daikaffil Chemicals India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 thereunder. We conducted our audit of the Ind AS financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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 state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (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" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The company has disclosed the impact of pending litigation on its financial position in its standalone financial statement.
  - (ii) 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.
  - (iii) 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: 28<sup>th</sup> May, 2018

#### **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 45IA 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: 28th May, 2018

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

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

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

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that

were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparations of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

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

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

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

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

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

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

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

#### **Opinion**

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

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

**MANISH PATEL**  
Proprietor  
Membership No.107367

Mumbai: 28th May, 2018



**BALANCE SHEET AS AT 31ST MARCH, 2018.**

(Rupees)

Particulars	Note	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipments	2	<b>146,905,544</b>	1,51,443,638	1,57,503,526
(b) Capital work-in-progress	2	<b>108,520</b>	9,27,945	411,211
<b>(c) Financial Assets</b>				
(i) Investments	3	<b>22,704,272</b>	2,772,071	2,661,232
(ii) Loans	4	<b>595,340</b>	-	-
(iii) Other Financial Assets	5	<b>1,580,267</b>	1,491,794	1,484,679
(d) Other non - current assets		-	-	-
		<b>171,893,943</b>	1,56,635,448	1,62,060,648
<b>(2) Current assets</b>				
(a) Inventories	6	<b>31,016,661</b>	34,572,658	40,155,109
<b>(b) Financial Assets</b>				
(i) investment		-	-	-
(ii) Trade receivables	7	<b>46,440,998</b>	29,041,514	69,863,778
(iii) Cash and cash equivalents	8	<b>35,101,804</b>	45,044,871	11,130,533
(iv) Bank balance other than (iii) above		-	-	-
(v) loans	4	<b>174,000</b>	-	103,000
(vi) other Financial assets	9	<b>45,679</b>	31,541	60,861
(c) Current Tax Assets (Net)	10	-	938,805	1,534,584
(d) Other current assets	11	<b>17,997,760</b>	11,071,079	7,796,601
		<b>1,30,776,902</b>	1,20,700,468	1,30,644,466
		<b>3,02,670,845</b>	2,77,335,916	2,92,705,114
<b>EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
Equity Share capital	12	<b>60,000,000</b>	60,000,000	60,000,000
	13	<b>1,95,380,702</b>	1,83,758,553	1,67,339,226
		<b>2,55,380,702</b>	2,43,758,553	2,27,339,226
<b>LIABILITIES</b>				
<b>(2) Non-current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings		-	-	-
(ii) Other financial liability		-	-	-
(b) Provisions	14	<b>1,160,638</b>	1,257,270	785,821
(c) Deferred tax liabilities (net)	15	<b>9,616,194</b>	12,336,500	14,667,841
		<b>10,776,832</b>	13,593,770	15,453,662
<b>(3) Current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	16	-	-	7,068,932
(ii) Trade payables	17	<b>29,716,361</b>	14,407,832	34,145,133
(iii) Other Financial liabilities	18	<b>5,027,926</b>	4,090,115	5,276,653
Other than those specified in item (c)		-	-	-
(b) Other current liabilities	19	<b>1,578,550</b>	1,485,646	3,421,508
(c) Short-term provisions	20	<b>190,474</b>	-	-
(d) Current Tax Liabilities (Net)		-	19,983,593	49,912,226
<b>Total Equity and Liabilities</b>		<b>3,02,670,845</b>	2,77,335,916	2,92,705,114

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 28, 2018

For and on behalf of the Board of Directors

**JAGDISH VASA**

Director

(DIN : 00170466)

**AMIT J. PATEL**

Managing Director

(DIN : 00005232)

**ADITYA PATEL**

Chief Financial Officer

(DIN : 00005276)

**MEENAL LADDA**

Company Secretary

Mumbai: May 28, 2018

(Membership No. 31499)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rupees)

Particulars		Note	Year ended 31/03/2018	Year ended 31/03/2017
I	Revenue from operations	21	2,34,661,713	2,83,350,974
II	Other income	22	8,488,000	5,526,096
III	Total Income : (I+II)		2,43,149,713	288,877,070
IV	Expenses			
(a)	Cost of materials consumed	23	1,31,096,515	146,011,012
(b)	Purchase of Stock-in-trade	24	-	1,879,743
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	2,759,697	5,826,931
(d)	Excise Duty		6,515,569	18,977,646
(e)	Employee benefit expense	26	23,010,305	22,937,434
(f)	Finance costs	27	217,459	227,317
(g)	Depreciation and amortisation expense	2	9,654,526	14,795,781
(h)	Other expenses	28	38,641,896	41,479,655
	Total expenses : (IV)		2,11,895,967	252,135,519
V	Profit (loss) before exceptional item and tax (I-IV)		31,253,746	36,741,551
VI	Exceptional items :-	11	-	-
VII	Profit before tax (V-VI)		31,253,746	36,741,551
VIII	Tax Expense :			
(1)	Current Tax		(10,000,000)	(14,700,000)
(2)	Deferred Tax	5	2,720,307	2,331,341
(3)	Earlier Years		-	72,133
			(7,279,693)	(12,296,526)
IX	Profit for the period from continuing operations (VII-VIII)		23,974,053	24,445,025
XIV	Other Comprehensive Income / (Expense)			
	<b>A (i) Items that will not be reclassified to profit and loss.</b>		(75,424)	(796,898)
	- Employee Benefits		(421,167)	(796,898)
	- Depreciation Effect on Revaluation		-	-
	- Reversal of Earlier Provision for Doubtful Debts		345,743	-
	(ii) Income Tax relating to item that will not be reclassified to profit and loss.		64,638	19,955
	- Employee Benefits (Def. Tax)	-	64,638	19,955
	- Depreciation Effect on Revaluation (Def. Tax)		-	-
	- Reversal of Earlier Provision for Doubtful Debts (Def. Tax)		-	-
	<b>B (i) Items that will be reclassified to profit and loss</b>			
	(ii) Income Tax relating to item that will be reclassified to profit and loss.			
XV	Total Comprehensive Income for the period XIII+XIV) (Comprising Profit (Loss) and other comprehensive Income for the period)		23,963,267	23,668,082
XVI	Earnings per Equity share (for continuing operation) Basic & Diluted		4.00	4.07
XVII	Earnings per Equity share (for discontinued continuing operations) Basic & Diluted			

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 28, 2018

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

**JAGDISH VASA**

Director

(DIN : 00170466)

**AMIT J. PATEL**

Managing Director

(DIN : 00005232)

**ADITYA PATEL**

Chief Financial Officer

(DIN : 00005276)

**MEENAL LADDA**

Company Secretary

Mumbai: May 28, 2018

(Membership No. 31499)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rupees)

	2017-2018	2016-2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extraordinary items	31,253,746	36,741,551
ADJUSTMENTS FOR :		
Depreciation	9,654,526	14,795,781
Bad- Debt / Provison for Doubtfull Debts	345,743	-
Notional Ind-AS	(5,014)	(840,582)
Interest Paid	63,016	102,550
Loss/(Profit) on Sale of Fixed asset	22,694	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES.</b>	<b>41,334,711</b>	<b>50,799,300</b>
ADJUSTMENTS FOR :		
Trade and other Receivables	(24,522,080)	38,275,942
Taxes	(1,129,278)	(595,780)
Inventories	3,555,997	5,582,451
Trade payable and others	16,223,282	(22,437,909)
Repayment of Short Term Borrowings	-	(7,068,932)
Cash Generated from Operations	<b>35,462,631</b>	<b>64,555,072</b>
Interest paid	(63,016)	(102,550)
Direct Taxes paid	(8,870,722)	(14,032,088)
Cash flow before extraordinary items.	<b>26,528,893</b>	<b>50,420,434</b>
Extraordinary Items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>26,528,893</b>	<b>50,420,434</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including Capital WIP)	(4,419,701)	(9,252,626)
Fixed Deposit Matured	(2,679,290)	(82,073)
Fixed Deposit Placed	-	-
Purchase of investments	(20,000,000)	-
<b>Sale of Fixed Assets</b>	<b>100,000</b>	<b>-</b>
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(26,998,991)</b>	<b>(9,334,699)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Loan	-	-
Increase in Paid-up Capital	-	-
<b>Dividends paid</b>	<b>(12,276,480)</b>	<b>(7,228,800)</b>
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>(12,276,480)</b>	<b>(7,228,800)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(12,746,578)</b>	<b>33,856,935</b>
CASH & CASH EQUIVALENTS:		
Opening Balance at Beginning of the year	42,458,166	8,601,231
Closing Balance at the End of the year	<b>29,711,588</b>	<b>42,458,166</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(12,746,578)</b>	<b>33,856,935</b>

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 28, 2018

For and on behalf of the Board of Directors

**JAGDISH VASA**

Director

(DIN : 00170466)

**AMIT J. PATEL**

Managing Director

(DIN : 00005232)

**ADITYA PATEL**

Chief Financial Officer

(DIN : 00005276)

**MEENAL LADDA**

Company Secretary

Mumbai: May 28, 2018

(Membership No. 31499)

**Statement of Changes in Equity for the Year Ended 31st March, 2018.**

**(a) Equity share capital**

Particulars	No. of Shares	Amount
Balance As at 1-April - 2016	6,500,000	65,000,000
Changes in Equity Share Capital During the year	-	-
Balance As at 31-March - 2017	6,500,000	65,000,000
Changes in Equity Share Capital During the year	-	-
Balance As at 31-March - 2018	6,500,000	65,000,000

**(b) Other Equity**

Particulars	Other comprehensive Equity				Total Other Equity
	Revaluation Reserve (Old)	General Reserve	Share Premium	Surplus in Statement of Profit and Loss	
<b>Balance As at 1-April - 2016 (Reinstated)</b>	-	17,200,000	3,448,620	52,550,181	94,407,704
Profit For the Year	-	-	-	24,445,025	-
Other Comprehensive Income Net of Tax Created During the year	-	-	-	-	-
Transfer from Surplus to General Reserve	-	3,000,000	-	(3,000,000)	-
Payment of Corporate Dividend including Tax Employee Benefits	-	-	-	(7,228,800)	-
Transfer to Retained Earning on Account of Depreciation Effect & for Revaluation of PPE	-	-	-	10,164,883	(10,164,883)
Deferred Tax (Other Comprehensive Income)	-	-	-	(2,841,712)	2,861,667
<b>Balance As at 31-March - 2017</b>	-	20,200,000	3,448,620	74,089,577	87,104,488
Profit For the Year	-	-	-	23,974,053	-
Other Comprehensive Income Net of Tax	-	-	-	-	-
Payment of Corporate Dividend including Tax Employee Benefits	-	-	-	(12,276,480)	-
Transfer to Retained Earning on Account of Depreciation Effect & for Revaluation of PPE	-	-	-	4,802,422	(4,802,422)
Deferred Tax (Other Comprehensive Income)	-	-	-	(1,946,936)	2,011,574
Reversal of Earlier Provision for Doubtful Debts	-	-	-	-	-
Changes in Equity Share Capital During the year	-	-	-	-	-
<b>Balance As at 31-March - 2018</b>	-	20,200,000	3,448,620	88,642,635	84,313,640

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

**MANISH PATEL**

Proprietor

Membership No. 107367

Mumbai: May 28, 2018

For and on behalf of the Board of Directors

**JAGDISH VASA**

Director

(DIN : 00170466)

**AMIT J. PATEL**

Managing Director

(DIN : 00005232)

Chief Financial Officer

(DIN : 00005276)

Company Secretary

(Membership No. 31499)

**MEENAL LADDA**

Mumbai: May 28, 2018

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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

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

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

Statement of Compliance with Indian Accounting Standards(IND AS): The financial statements have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules,2015 as amended and notified under section 133 of the Companies Act,2013.(“the Act”) and other relevant provisions of the Act and other accounting principles generally accepted in India. These are the Company’s first INDAS financial statements. The Date of Transition to IND AS is 1st April, 2016.

Upto the financial year ended March 31,2017, the Company prepared its financial statements in accordance with the requirements of the previous applicable GAAP, which includes the standards notified under the Company (Accounting Standards) Rules,2006 notified under section 133 of the Act and other relevant provisions of the Act.

First-time Adoption: In accordance with IND AS 101 on First time Adoption of the Indian Accounting Standards, the Company’s first IND AS financial statements include three Balance sheets viz. the Opening Balance sheet as at April 1,2016 and Balance Sheets as at March 31,2017 and as at March 31, 2018 with related notes. The same accounting policies have been used for all the periods presented.

**2) Use of Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that effect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

**3) Accounting Estimates****A. Useful lives and residual values of property, plant and equipment**

Property, plant and equipment represent a material portion of the Company’s asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are as per Schedule II of the Companies Act,2013.

**B. Income taxes**

The Company’s tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

**C. Defined benefit obligations**

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management. New Employees/Directors whose obligation are not considered under the actuarial scheme have been made on an estimated basis on the discounting value of the liability based on management estimated rate.

**4) Current non-current classification :**

Current versus non-current classification

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading
- b. Expected to be realized within twelve months after the reporting period, or
- c. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other Liabilities are classified as non-current.

**5) Property, plant and equipment:**

- A. Property, plant and equipment are stated at fair value , net of accumulated depreciation and accumulated impairment losses,if any. The cost comprises the purchase price (Net of Cenvat and VAT credit/GST input credit wherever applicable) and any attributable cost of bringing the assets to its working condition for its intended use. All other repair and maintenance costs are recognized instatement of profit and loss as incurred.

Depreciation on Property, plant and equipment is calculated on a straight-line basis, from the month of addition, using the estimated useful lives, as specified in schedule II to the Companies Act, 2013.

Leasehold land is valued at fair value and being amortized on a straight-line basis over the residual lease term

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at theend of each reporting period and adjusted prospectively, if appropriate.

- B. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internallygenerated intangibles are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

**6) IMPAIRMENT OF ASSETS**

The carrying amount of assets are reviewed for impairment at the end of each reporting date if there is any indicationof impairment based on internal/external factor. An impairment loss is recognized in the statement of profit and losswherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greaterof the asset's or cash generating unit's fair value less cost of disposal and value in use. In assessing value in use, theestimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects currentmarket assessments of the time value of money and risks specific to the asset. In determining fair value, recent markettransactions are taken into account.

**7) FOREIGN CURRENCY TRANSACTIONS.**

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees. Transactions and balances

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount theexchange rate between the functional currency and the foreign currency at the date of the transaction. All foreigncurrency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functionalcurrency at the applicable exchange rates prevailing on that date. All exchange differences arising on translation are recognized in the Statement of Profit and Loss.

Gain or losses upon settlement of foreign currency transactions are recognized in the Statement of Profit and Loss for the period in which the transaction is settled.

**8) INVESTMENTS :**

The Investment in ERCA Specialty Chemicals Private Limited is measured at Fair value and any change is routed through Other Comprehensive Income.

Long term investments viz. Mutual funds, Securities/Shares if any are stated at fair value. Any change in fair value is routed through Statement of Profit and loss Account.

**9) INVENTORIES :**

Inventories consist of raw materials, packing materials, stores and consumables stock-in-trade and finished goods. Inventories are valued at lower of cost and net realizable value. Cost of inventories is determined on First in First out basis. Cost of manufactured finished goods and work-in-progress includes material cost determined on first in first out (FIFO) basis and also includes an appropriate portion of allocable overheads. Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Slow moving, non-moving and obsolete inventories are shown separately. Stores and consumables are valued at lower of cost or Net realizable value.

## 10) REVENUE RECOGNITION :

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when it is earned and no significant uncertainty exists as to its realisation or collection.

Sale of goods

Revenue from sale of goods is recognized when ownership in the goods is transferred to the buyer for a price, when significant risks and rewards of ownership have been transferred to the buyer and no effective control, to a degree usually associated with ownership, is retained by the Company. Sale of goods are stated net of trade discounts and volume rebates, and include excise duty but excluding Value Added Tax/Goods and Services Tax.

Under Indian GAAP, sale of goods was presented at net of excise duty. However, under Ind AS, sale of goods includes excise duty for the period 1st April, 2017 to 30th June, 2017. Hence excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by Rs. 65,15,569/- with a corresponding increase in other expenses category.

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

Export Incentives are accounted on accrual basis.

Interest income is recorded using the Effective interest rate (EIR) for Loans to employees and security deposit to suppliers. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset to the gross carrying amount of the financial asset.

## 11) RETIREMENT AND OTHER EMPLOYEE BENEFITS :

### Gratuity

The Company provides for gratuity, a defined retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and tenure of employment with the Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using projected unit credit method. The Company fully contributes all ascertained liabilities to the Daikaffil Chemicals India Limited Employees' Group Gratuity Trust Fund ('the Trust'). Trustees administer contributions made to the Trusts and contributions are invested in insurance and deposit schemes.

The Company recognizes the net obligation of a defined plan in its Balance Sheet as an asset or liability.

Gains and losses through re measurements of the net benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in Statement of Profit and Loss.

Employees/Directors whose obligation are not considered under the actuarial scheme have been made on an estimated basis on the discounting value of the liability based on management estimated rate.

### Provident fund

Eligible employees of the Company receive benefits from a Provident fund, which is defined benefit plan. Both the eligible employees and the Company make monthly contributions to the provident fund equal to a specified percentage of the covered employee's salary. The Company contributes a portion to Employees' Provident Fund Organization administered by the Government of India

### ESIC

Eligible Employees of the Company are covered under Employee State Insurance Scheme.

### Compensated absences

The Company has a policy on compensated absences which is applicable to its executives joined up to a specified period and all workers. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

## 12) TAXES ON INCOME :

Income tax expense comprises current income tax and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income or other equity as the case may be.

**Current income tax**

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

**Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profits.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**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.

**14) PROVISIONS:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

**15) Financial instruments**

Non-derivative financial instruments:

Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

Subsequent measurement

Financial assets carried at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

De-recognition of financial instruments

Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.



On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in statement of profit and loss if such gain or loss would have otherwise been recognized in statement of profit and loss on disposal of that financial asset.

#### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at Fair Value through Other Comprehensive Income (FVOCI), lease receivables, trade receivables, other contractual rights to receive cash or other financial asset not designated as at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

#### **16) Cash and cash equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

#### **17) Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **18) Cash dividend**

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

#### **19) Discounting Rate**

The Company has adopted discounting rate as per management's best judgment rate for fair value computations.

#### **20) Previous year Figures**

The figures of previous periods have been regrouped/reclassified/restated wherever necessary.

#### **21) Risk Management**

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.

**Note 2 PROPERTY, PLANT AND EQUIPMENT**

Name of the Assets	Gross Block			Depreciation			Net Block		
	As at 01/04/2017	Additions	Deductions	As at 31/03/2018	Provided Upto 01/04/2017	Provided this year	Adjustment / Deduction during the year	As at 31/03/2018	As at 31/03/2017
<b>LAND (LEASEHOLD)</b>									
(Previous Year)	78,000,000	-	-	78,000,000	1,344,828	1,344,828	-	75,310,344	76,655,172
<b>FACTORY BUILDING</b>									
(Previous Year)	78,000,000	-	-	78,000,000	-	1,344,828	-	76,655,172	78,000,000
<b>FLAT</b>									
(Previous Year)	60,558,713	18,757	-	60,577,470	16,708,902	4,385,488	-	39,483,080	43,849,811
<b>PLANT &amp; MACHINERY</b>									
(Previous Year)	60,543,113	15,600	-	60,558,713	11,838,113	4,870,500	-	43,850,100	48,705,000
	2,105,643	-	-	2,105,643	154,423	47,591	-	1,903,629	1,951,220
	2,105,643	-	-	2,105,643	105,643	48,780	-	1,951,220	2,000,000
	97,282,349	5,069,386	126,667	102,205,068	74,951,909	2,437,663	(3,973)	24,819,469	22,310,440
<b>ELECTRICAL INSTALLATIONS</b>									
(Previous Year)	93,248,601	4,013,748	-	97,262,349	67,948,078	7,004,121	-	22,310,150	25,300,523
	5,971,297	113,460	-	6,084,757	5,496,686	235,016	-	353,055	474,611
<b>LABORATORY EQUIPMENT</b>									
(Previous Year)	5,879,895	91,402	-	5,971,297	5,100,943	395,743	-	474,611	778,952
	1,591,726	-	-	1,591,726	1,148,282	190,564	-	252,880	443,444
<b>OFFICE EQUIPMENTS</b>									
(Previous Year)	1,591,726	-	-	1,591,726	957,718	190,564	-	443,444	634,008
	1,845,394	2,742	-	1,848,136	1,197,116	108,978	-	542,042	648,278
	1,515,344	330,050	-	1,845,394	1,058,999	140,117	-	648,278	458,345
<b>FURNITURE &amp; FIXTURES</b>									
(Previous Year)	1,846,072	-	-	1,846,072	1,192,599	171,468	-	482,005	653,473
	1,812,744	33,328	-	1,846,072	993,037	199,562	-	653,473	819,707
<b>COMPUTER</b>									
(Previous Year)	1,405,066	34,782	-	1,439,848	1,183,188	119,053	-	137,607	221,878
	1,326,462	78,604	-	1,405,066	1,085,880	97,308	-	221,878	240,582
<b>VEHICLES</b>									
(Previous Year)	4,812,623	-	-	4,812,623	577,312	613,878	-	3,621,433	4,235,311
	639,463	4,173,160	-	4,812,623	73,054	504,258	-	4,235,311	566,409
<b>Total</b>	<u>255,398,883</u>	<u>5,239,127</u>	<u>126,667</u>	<u>260,511,343</u>	<u>103,955,245</u>	<u>9,654,526</u>	<u>(3,973)</u>	<u>146,905,544</u>	<u>151,443,638</u>
Previous year	<u>246,662,991</u>	<u>8,735,892</u>	<u>-</u>	<u>255,398,883</u>	<u>89,159,465</u>	<u>14,795,781</u>	<u>-</u>	<u>151,443,637</u>	<u>157,503,526</u>
<b>Capital Work-in-Progress</b>									
								<u>108,520</u>	<u>927,945</u>
								<u>147,014,064</u>	<u>152,371,583</u>

Note : The Company had revalued the PPE as on 1/04/2016 as per Ind-AS.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**
**Note 3 : Non Current Investments**

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
<b>(i) Mutual Fund (Quoted) :-</b>			
Franklin India Prima Plus Dividend Option(Unit 67286.782)	2,500,000	-	-
ICICI Prudential Regular Saving Fund Growth Option (Units 807993.752)	15,008,565	-	-
Kotak Select Focus Fund Regular Plan Dividend Option (Units 110175.841)	2,499,669	-	-
	<b>20,008,234</b>	-	-
<b>(ii) Unquoted Shares</b>	-	-	-
Investment in 264666 (264666) Equity shares of face value Rs.10/- each of Erca Speciality Chemicals Pvt. Ltd.,	26,46,600	26,46,600	26,46,600
Less: Provision for Diminution in the value of investment	20,94,236	20,62,614	20,81,131
	<b>5,52,364</b>	5,83,986	5,65,469
(iii) Investment in 13193 (13193) shares of face value Rs.100/- each of Tarapur Environment Protection Society Ltd.	2,143,674	2,188,085	2,095,763
	<b>2,27,04,272</b>	27,72,071	26,61,232

**Note 4 : Financial Assets : Loans**

Unsecured and Considered Good

Loans to Employees (At Amortised Cost)

- Non Current Loans	595,340	-	-
- Current Loans	174,000	-	103,000
	-	-	-
	<b>769,340</b>	-	103,000

**Note 5 : Financial Assets - Non Current : Others**

Unsecured and Considered Good

A Security Deposits	677,575	677,725	664,035
B Asset with LIC for Leave Encashment (Refer Note 26)	902,692	814,069	763,055
C Asset with LIC for Gratuity Fund (Refer Note 26)	-	-	57,589
	<b>1,580,267</b>	1,491,794	1,484,679

**Note 6 : Inventories - As certified by Management**
**Valued at Lower of Cost or Net Realizable Value :**

Raw Materials	20,452,186	21,440,358	21,040,677
Work-in- Progress	9,261,706	9,763,993	14,504,683
Finished Goods	697,270	2,929,677	3,841,714
Stock-in-Trade	40,830	65,833	240,037

**Valued at Cost :**

Stores and Spares.	273,124	76,075	247,748
Packing Materials	291,545	296,722	280,250
	<b>31,016,661</b>	34,572,658	40,155,109
Slow-Moving Goods	3,840,061	41,50,372	40,83,304
Regular Goods	27,176,600	3,04,22,286	3,60,71,805
	<b>31,016,661</b>	34,572,658	40,155,109

**The Company has no Stock-in-transit**

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

**Note 7 :Trade Receivables**

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
<b>Unsecured and Considered Good</b>			
Outstanding for a period exceeding six months from the date they are due for payment	-	420,743	420,743
Less : Provision for Doubtful Debts	-	(345,743)	75,000
Parties with Common Directors	-	-	(345,743)
Other Trade Receivables	-	75,000	75,000
	<u>46,440,998</u>	<u>28,966,514</u>	<u>69,788,778</u>
	<u>46,440,998</u>	<u>29,041,514</u>	<u>69,863,778</u>

**Note 8 :Cash and Bank Balances**

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
<b>A Cash and Cash Equivalents :</b>			
Cash on hand	87,901	77,739	149,770
Balances with Banks in current accounts	29,617,611	42,374,757	8,446,217
Cheques on Hand	-	-	-
Fixed Deposit Account (with maturity Less than 3 months)	6,075	5,670	5,244
	<u>29,711,588</u>	<u>42,458,166</u>	<u>8,601,231</u>
<b>B Others bank balances :-</b>			
- Fixed 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.	3,907,711	1,228,421	1,146,348
- Earmarked balances with bank for Unpaid Dividends	1,482,506	1,358,284	1,382,954
	<u>5,390,217</u>	<u>2,586,705</u>	<u>2,529,302</u>
	<u>35,101,804</u>	<u>45,044,871</u>	<u>11,130,533</u>

**Note 9 : Financial Assets-Current : Others**

Unsecured and Considered Good			
Interest Accrued on Investments/Deposits	45,679	31,541	60,861
	<u>45,679</u>	<u>31,541</u>	<u>60,861</u>

**Note 10 : Current tax Assets (Net)**

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
<b>Unsecured and Considered Good</b>			
Advance Tax / TDS	24,509,527	15,638,805	17,734,584
Less : Provision for Income Tax	24,700,000	14,700,000	16,200,000
	(190,474)	938,805	1,534,584
Less Refer note 20	(190,474)	-	-
	<u>-</u>	<u>938,805</u>	<u>1,534,584</u>

**Note 11 : Other Current Assets**

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
<b>Unsecured and Considered Good</b>			
Prepaid Expenses	364,141	395,777	387,141
Cenvat Credit Receivable	-	2,753,650	2,781,046
GST Input Credit Receivable	7,568,579	-	-
GST Refund Recievable	5,016,907	-	-
Balances with Government Authorities	145,395	4,214,173	1,798,662
Advances to Suppliers	16,0145	514,413	392,356
Insurance Claim Receivable	94,889	-	-
<b>For others</b>			
MVAT Recoverable from Govt.	-	804,553	1,679,013
DEPB Licence Unutilised	4,791,834	2,388,515	758,383
	<u>17,997,760</u>	<u>11,071,079</u>	<u>7,796,601</u>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
<b>Note 12: Share Capital</b>			
a) Authorised			
65,00,000 (65,00,000) Equity Shares of Rs.10/- Each.	<u>65,00,000</u>	<u>65,00,000</u>	<u>65,00,000</u>
b) Issued, subscribed and Paid up :			
60,00,000 (60,00,000) Equity Shares of Rs.10/- Each.	<u>60,00,000</u>	<u>60,00,000</u>	<u>60,00,000</u>
<b>c) Reconciliation of number of Equity Shares :</b>			

Particulars	As at 31/03/2018		As at 31/03/2017		As at 31/03/2016	
	No. of Shares	Value (Rupees)	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	6,000,000	60,000,000
Add: Shares Issued during the year	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<u>6,000,000</u>	<u>60,000,000</u>	<u>6,000,000</u>	<u>60,000,000</u>	<u>6,000,000</u>	<u>60,000,000</u>

**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 31/03/2018		As at 31/03/2017	
	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
1 Amit Patel	927,450	15.46%	927,450	15.46%
2 Caffil Private Ltd.,	503,300	8.39%	503,300	8.39%
3 H.G.E. Chemical Company S.A. (Luxembourg) #	749,700	12.50%	749,700	12.50%

# The management has been informed that the said Company is now Under Liquidation and Ms. Sylvie Thysen is appointed as the Official Liquidator.

**Note 13 :Reserves and Surplus**

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
Share Premium	3,448,620	3,448,620	3,448,620
General Reserve	20,200,000	20,200,000	17,200,000
Surplus in Statement of Profit and Loss	88,642,635	74,089,577	52,550,181
Revaluation Reserve (Ind-AS)	84,313,640	87,104,488	94,407,704
Other Comprehensive Equity	(1,224,193)	(1,084,132)	(267,279)
	<u>195,380,702</u>	<u>183,758,553</u>	<u>167,339,226</u>

**Note 14 : Non Current Provisions**

Employees benefits :-			
Provision for Gratuity (Refer note No. 26 Fund lying with LIC- In a separate trust account)	27,982	271,991	-
Provision for Gratuity Unfunded	259,445	173,862	99,535
Provision for Leave Encashment (Refer note No. 26 Fund lying with LIC)	873,211	811,417	686,286
	<u>1,169,638</u>	<u>1,257,270</u>	<u>789,821</u>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

**Note 15 : Deferred Tax Liabilities (Net)**

	As at 31/03/2018	Charge/ (credit) during the year	As at 31/03/2017	Charge/ (credit) during the year	As at 31/03/2016
Deferred Tax Liabilities:					
on account of timing difference in depreciation	10,086,959	(2,617,216)	12,704,175	(2,154,450)	14,858,625
		-	-	-	-
<b>Sub-Total</b>	<b>10,086,959</b>	<b>(2,617,216)</b>	<b>12,704,175</b>	<b>(2,154,450)</b>	<b>14,858,625</b>
<b>Deferred Tax Assets:</b>					
on account of Employee Cost / Benefits	550,257	373,927	176,330	252,217	(75,887)
on account of Allowances / disallowances Under Income Tax Act, 1961	(79,492)	(270,837)	191,345	(75,326)	266,671
<b>Sub-Total</b>	<b>470,765</b>	<b>103,090</b>	<b>367,675</b>	<b>176,891</b>	<b>190,784</b>
Net Deferred tax liability	<b>9,616,194</b>	<b>(2,720,306)</b>	<b>12,336,500</b>	<b>(2,331,341)</b>	<b>14,667,841</b>
Charge/ (credit) during the year to Profit & Loss for the Year		<b>(2,720,306)</b>		<b>(2,331,341)</b>	
Charge/ (credit) during the year to OCI					
		<b>(2,720,306)</b>		<b>(2,331,341)</b>	

**Note 16 Financial liabilities - Current: Borrowings**

Secured Loan #

From Bank

- Cash Credit	-	-	2,037,667
- Export Packing Credit	-	-	5,031,265
	-	-	7,068,932
	<u>-</u>	<u>-</u>	<u>7,068,932</u>

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

**Note 17 : Financial liabilities - Current : Trade payables**

Due to Micro, Small and Medium Enterprises *	2,894,516	1,357,843	70,032
Due to creditors other than Micro, Small and Medium Enterprises	26,821,845	13,049,989	34,075,101
Due to Related Parties	-	-	-
	<u>29,716,361</u>	<u>14,407,832</u>	<u>34,145,133</u>

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

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
<b>Note 18 : Other Financial liabilities - Current</b>			
Liability Towards Employees	3,545,4210	2,731,831	3,893,699
Unpaid Dividend #	1,482,506	1,358,284	1,382,954
	<u>5,027,926</u>	<u>4,090,114</u>	<u>5,276,652</u>
# As at the year end there is no amount due for payment to the Investor Education & Protection Fund under Section 124( 5 ) of the Companies Act, 2013.			
<b>Note 19 : Other Current liabilities</b>			
Other Liabilities	612,136	568,594	2,200,310
Statutory Liabilities	496,976	686,925	1,006,798
Trade Deposit and Advance	469,438	230,127	214,400
	<u>15,78,550</u>	<u>14,85,646</u>	<u>34,21,508</u>
<b>Note 20 : Short Term Provisions</b>			
Provision for Income Tax	24,700,000	14,700,000	16,200,000
Less : Advance Tax / TDS	24,509,527	15,638,805	17,734,584
	190,474	(938,805)	(1,534,584)
Less Refer Note 10	-	(938,805)	(1,534,584)
	<u>190,474</u>	-	-
	<u>190,474</u>	-	-
		<b>Year ended 31/03/2018</b>	<b>Year ended 31/03/2017</b>

**Note 21: Revenue from Operations**

a) Sale of Products :-		
- Manufactured Finished Goods	228,521,925	275,938,742
- Trading Goods	-	2,122,076
	<u>228,521,925</u>	<u>278,060,818</u>
b) Other Operating Revenue (Export Incentives)	6,139,788	5,290,156
Revenue from Operations(Net)	<u>234,661,713</u>	<u>283,350,974</u>
<b>18A Details of Products Sold</b>		
(i) Sale of finished Goods		
Organic Intermediates (Net of Excise)	98,868,530	129,702,731
Optical Brighteners (Net of Excise)	123,137,826	127,258,365
Add: Excise Duty	6,515,569	18,977,646
(ii) Sale of Goods - in - Trade (Net of Excise Duty)		
Organic Intermediates	-	-
Optical Brighteners	-	2,122,076
	<u>2,28,521,925</u>	<u>2,78,060,818</u>

**NOTES TO THE FINANCIAL STANDALONE STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

	Year ended 31/03/2018	Year ended 31/03/2017
<b>Note 22 : Other Income</b>		
Interest :		
- On Bank Deposits	2,710,342	1,708,915
- Others	73,227	147,561
Exchange Gain ( Net)	5,590,729	3,516,313
Miscellaneous Income	18,812	153,307
Insurance Claim	94,889	-
	8,488,000	5,526,096

**Note 23 : Raw Materials Consumed**

Raw materials Consumed :		
Opening stock	21,440,358	21,040,677
Add : Purchase	1,30,108,344	1,49,109,793
	1,51,548,701	1,70,150,470
Less : Raw Material Sales	-	2,699,100
	1,51,548,701	1,67,451,370
Less : Closing Stock	20,452,186	21,440,358
	1,31,096,515	1,46,011,012
(A) Details of Raw Materials Consumed		
Chemicals		
Organic Intermediates	1,22,457,451	1,38,094,654
Inorganic Intermediates	8,639,064	7,916,358
	1,31,096,515	1,46,011,012

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

	2017-18		2016-17	
	Value	% to total Consumption	Value	% to total Consumption
Raw Materials :				
Imported at landed cost	54,669,417	41.70%	54,503,310	37.33%
Indigenously obtained	76,427,099	58.30%	91,507,702	62.67%
	1,31,096,515	100.00%	1,46,011,012	100.00%

**Note 24 :Purchase of Goods - in- Trade**

Organic Intermediates (Net of Excise)	-	-
Optical Brighteners (Net of Excise)	-	1,879,743
	-	1,879,743



**NOTES TO THE FINANCIAL STANDALONE STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

	Year ended 31/03/2018		Year ended 31/03/2017	
<b>Note 25 : Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade</b>				
Opening Stock				
Work- in- Progress	<b>9,763,993</b>		14,504,683	
Finished Goods	<b>2,929,677</b>		3,841,714	
Stock-in-Trade	<b>65,833</b>	<b>12,759,503</b>	<u>240,037</u>	18,586,434
Less : Closing Stock				
Work - in - Progress	<b>9,261,706</b>		9,763,993	
Finished Goods	<b>697,270</b>		2,929,677	
Stock-in-Trade	<b>40,830</b>	<b>9,999,806</b>	<u>65,833</u>	12,759,503
		<b>2,759,697</b>		<u>5,826,931</u>
<b>Note 26 : Employee Benefit expenses</b>				
Salaries, Wages and Bonus		<b>20,469,830</b>		20,572,364
Contribution to Provident, Gratuity and other Funds *		<b>1,909,225</b>		1,710,964
Staff Welfare Expenses		<b>631,250</b>		654,106
		<b>23,010,305</b>		<u>22,937,434</u>
* As required by Ind-AS 19 Employees Benefits, the disclosures are as under :				
<b>A) Defined Contribution Plans</b>				
a) The company makes Contribution to Provident fund and employees pension scheme to Defined Contribution plan for qualifying employees. Under the schemes the company is required to contribute a specified percentage of the payroll costs to fund the benefits				
b) Charge to Statement of Profit and Loss for Defined Contribution Plan is as under :				
- Employers' Contribution to Provident Fund		<b>543,962</b>		588,479
- Employers' Contribution to PF / Employees' State Insurance		<b>328,369</b>		47,317
- Employers' Contribution to Employees' Pension Scheme, 1995		<b>618,475</b>		730,026
	<b>A</b>	<b>1,490,806</b>		<u>1,365,822</u>
<b>B) Defined Benefit Plans</b>				
a) The company offers the following employee benefit scheme to its employees				
i) Gratuity				
ii) Other Defined Benefit plans (Leave Encashment)				
b) Charge to Statement of Profit and Loss for Defined Benefit Plan is as under :				
- Employers' Contribution to LIC Group Gratuity Scheme		<b>294,881</b>		245,937
- Employers' Contribution to LIC Leave Encashment Scheme		<b>3,813</b>		(2,902)
- LIC fund management charges		<b>34,142</b>		27,780
- Employers' Contribution for Gratuity Scheme Unfunded		<b>85,583</b>		74,327
		-		-
	<b>B</b>	<b>418,419</b>		<u>345,142</u>
<b>Total (A+B)</b>		<b>1,909,225</b>		<u>1,710,964</u>

**NOTES TO THE FINANCIAL STANDALONE STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

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

	As at 31/03/2018		As at 31/03/2017	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>A Changes in the Present Value of Obligation</b>				
Present Value Of Obligation as at Beginning of the Year	5,032,439	811,417	433,4606	686,286
Interest Cost	402,595	64,914	346768	54,902
Current Service Cost	273,122	4,025	250545	3,240
Past service Cost	-	-	-	-
Benefits paid	(352,847)	(39,435)	(617948)	(43,294)
Acturial Gains / (Loss)	423,277	32,290	718468	110,283
Present value of Obligation as at the end of the year	<u>5,778,586</u>	<u>873,211</u>	<u>5,032,439</u>	<u>811,417</u>
<b>B Changes in the Fair Value of Plan Assets</b>				
Fair Value of Assets as at Beginning of the Year	4,760,448	814,069	4,392,195	763,055
Expected return (Calculated @ Discount Rate)	380,836	65,126	351,376	61,044
Acturial Gains / (Loss)	34,474	(74 )	31,263	590
Net Contribution by Employer	927,693	63,007	603,563	32,674
Benefits paid	(352,847)	(39,435)	(617,948)	(43,294)
Fair value of Assets as at the end of the year	<u>5,750,604</u>	<u>902,693</u>	<u>4,760,448</u>	<u>814,070</u>
<b>C Amount Recognised in the Balance sheet</b>				
Present value of Obligation as at the end of the year	5,778,586	873,211	5,032,439	811,417
Fair value of Assets as at the end of the year	5,750,604	902,693	4,760,448	814,069
Unfunded Liability / (Net asset) Recognised in Balance Sheet	<u>27,982</u>	<u>(29,482)</u>	<u>271,991</u>	<u>(2,652)</u>
<b>D Balance sheet Reconciliation</b>				
Net Laibility at the beginning of the year	271,991	(2,652)	(57,589)	(76,769)
Expense Recognised during the year	683,684	36,177	933,143	106,791
Contribution during the year	(927,693)	(63,007)	(603,563)	(32,674)
Net Liability Recongnised at the end of the year	<u>27,982</u>	<u>(29,482)</u>	<u>271,991</u>	<u>(2,653)</u>
<b>E Amount recognised in Statement of Profit &amp; Loss</b>				
Current Service Cost	273,122	4,025	250,545	3,240
Interest Cost	402,595	64,914	346,768	54,902
Expected Return on Plan Asset	(380,836)	(65,126)	(351,376)	(61,044)

**NOTES TO THE FINANCIAL STANDALONE STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

	As at 31/03/2018		As at 31/03/2017	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Settlement Cost / (Credit)	-	-	-	-
Past Service cost	-	-	-	-
<b>Total Expenses charged to Statement of Profit &amp; Loss</b>	<b>294,881</b>	<b>3,813</b>	<b>245,937</b>	<b>(2,902)</b>
<b>F Amount recognised in Statement of Profit &amp; Loss (Other Comprehensive Income)</b>				
Actuarial Gains / (Loss) PV of Obligation	423,277	32,290	718,468	110,283
Actuarial Gains / (Loss) FV of Plan Assets	(34,474)	74	(31,263)	(590)
	<b>388,803</b>	<b>32,364</b>	<b>687,205</b>	<b>109,693</b>
<b>G Percentage of each category of Plan assets to Fair Value of plan Assets</b>				
(1) Insurer Managed fund	100%	100%	100%	100%
<b>H Actuarial Assumptions</b>				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Expected return on Plan	8.00%	8.00%	8.00%	8.00%
The principle plan assets consist 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. (Refer Note 1.11)				

	Year ended 31/03/2018	Year ended 31/03/2017
<b>Note 27 : Finance Cost</b>		
Bank Interest	63,016	102,550
Processing, documentation and other borrowing cost	154,443	124,767
	<b>217,459</b>	<b>227,317</b>
<b>Note 28 : Other Expenses</b>		
<b>Manufacturing Expenses</b>		
Consumption of stores and spare parts	121,449	172,462
Power and fuel	12,379,180	13,249,810
Water consumption	476,726	723,849
Water treatment	471,272	441,436
Repairs and maintenance - Buildings	11,645	57,992
Repairs and maintenance - Machinery	953,594	1,792,604
Electrical Maintenance.	67,757	43,484
Laboratory Expenses	207,582	229,407
Handling Loss	51,821	59,987
<b>TOTAL (A)</b>	<b>14,741,026</b>	<b>16,771,031</b>

**NOTES TO THE FINANCIAL STANDALONE STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

	Year ended 31/03/2018	Year ended 31/03/2017
<b>Selling, Distribution and Administration expenses</b>		
Rent including lease rentals	1,131,467	850,875
Repairs and maintenance - Others	63,917	78,638
Consumption of packing materials	5,336,179	5,402,943
Insurance	532,788	575,735
Rates and taxes	230,419	362,366
Communication	678,333	578,440
Travelling and conveyance	1,088,716	1,339,593
Printing and stationery	324,207	289,401
Freight and forwarding	5,667,541	5,985,947
Sales commission	113,100	128,574
Discount	8,643	-
Business promotion	155,403	216,753
Legal and professional	2,063,627	2,921,455
Payments to auditors		
- Audit Fees	165,000	165,000
- Tax Audit Fees	60,000	60,000
- Certification Fees/Other Services	46,500	64,750
Bank Commission & Charges	314,793	442,997
Clearing & Forwarding Charges	490,932	511,400
Export Freight	348,853	1,084,057
Electricity charges	82,510	81,934
Vehicle Expenses	455,474	424,632
Membership & Filing Fees	439,146	477,903
Terminal Handling Charges	1,326,710	954,585
Director Sitting fees	312,500	347,500
Entertainment Expenses	466,434	236,415
Share Transfer Expenses	165,212	149,115
Security Charges	540,000	134,516
Indirect Taxes on Assessment	-	151,070
Miscellaneous expenses	1,292,466	692,030
<b>TOTAL (B)</b>	<b>23,900,870</b>	<b>24,708,624</b>
<b>TOTAL (A + B)</b>	<b>38,641,896</b>	<b>41,479,655</b>

**NOTES TO THE FINANCIAL STANDALONE STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****Note 29 : 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:

	<b>PARTICULARS</b>	<b>CAFFIL PRIVATE LTD.</b>	<b>AMICHEM</b>	<b>KEY MANAGEMENT PERSONNEL</b>	<b>Other Director</b>
1	Purchase (net)	3,663,263			
2	Service charges paid	694,850	-	-	-
3	Service charges for use of premises	-	1,131,467	-	-
4	Remuneration to Directors *	-		2,712,100	-
5	Director - Sitting Fees	-		-	312,500

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

**Note 30 : Contingent Liabilities**

	<b>PARTICULARS</b>	<b>As at 31/03/2018</b>	<b>As at 31/03/2017</b>
1	Outstanding Letters of Credit	<b>1,898,630</b>	3,314,808
2	Outstanding Bank Guarantee	<b>1,850,000</b>	1,850,000
		<b><u>3,748,630</u></b>	<u>5,164,808</u>

**Note 31 : Commitments**

Estimated amount of contract remaining to be executed on capital Account and not provided for Rs. 0.75 Cr. (P.Y.Rs. 1.25 Cr.)

**Note : 32**

The records of the ROC shows a charge on the assets of the company of Rs. 40.00 lakhs in favour of Dena Bank. The said charge has been removed by the Company but the same has not been cancelled by Dena Bank. The Company is vigorously following up with the said Bank to complete the formal of Cancellation with ROC.

**Note 33 : Consolidated financial statement**

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

**NOTES TO THE FINANCIAL STANDALONE STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note 34 Dues to Micro and Small suppliers**

Particulars	Mar 31,2018	Mar 31,2017
a) The amounts remaining unpaid at the Balance sheet Date		
- Principal	2,894,516	1,607,444
- Interest	-	-
b) The amount of Interest paid 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	15,094,010	1,357,843
- Interest	-	-
d) The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	170,655	25,387
f) Total Interest due but not paid for the earlier years	112,861	87,474

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

**Note35** 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.

**Note36** Sundry Debtors and Loans and Advances are subject to confirmation.

**Note37** Segment Information has not been given as the Company does not have any segment.

The Company had Transaction with Customer (Single or Group) which amounted to more than 10% of the company's revenue for the year ended as under:

	As at 31/03/2018 (Rs.)		As at 31/03/2017	
	Amount (Rs.)	%	Amount (Rs.)	%
Revenue from Customer -1	65,571,670	28.7%	65,146,202	23.4%
Revenue from Customer -2	15,103,173	6.6%	35,626,800	12.8%
Revenue from Customer -3	33,280,807	14.6%	45,231,752	16.3%

Particulars	As at 31/03/2018	As at 31/03/2017
<b>Note 38 Earnings per Share</b>		
(A) Profit attributable to Equity Shareholders (Rs.)	23,974,053	24,445,025
(B) No. of Equity Share outstanding during the year.	6,000,000	6,000,000
(C) Face Value of each Equity Share ( Rs.)	10	10
(D) Basic & Diluted earning per Share ( Rs.)	4.00	4.07

**NOTES TO THE FINANCIAL STANDALONE STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****Note 39 Expenditure in Foreign Currency on Account of :-**

- Travelling	<b>329,639</b>	515,864
- Membership fees	<b>37,150</b>	183,750

**Note 40 Earning in Foreign Currency**

FOB Value of Exports	<b>181,598,459</b>	186,800,180
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**Note 41 Remittance in Foreign Currency on Account of Dividend**

(a) Number of Non-Resident Shareholders	<b>2</b>	2
(b) Number of Equity shares held by them	<b>994,700</b>	994,700
(c) (i) Amount of dividend Paid (Gross)	<b>1,690,990</b>	994,700
Tax deducted at source	--	--
(ii) Year to which dividend relates	<b>2016-17</b>	2015-16

**Note 42 Value of Import on CIF Basis**

Raw Materials	<b>48,228,926</b>	57,245,253
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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 28, 2018

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

**JAGDISH VASA**

**Director**

**(DIN : 00170466)**

**AMIT J. PATEL**

**Managing Director**

**(DIN : 00005232)**

**ADITYA A. PATEL**

**Chief Financial Officer**

**(DIN : 00005276)**

**MEENAL LADDA**

**Company Secretary**

Mumbai: May 28, 2018

**(Membership No. 31499)**

**Note 43: First Time Adoption of Indian Accounting Standards**

- (i) The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information is presented in these financial statements for the year ended March 31, 2017 and in the presentation of opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amount reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance is set out in the following tables and notes.
- (ii) The Voluntary Exemptions as per Ind AS 101 – First time adoption of Indian Accounting Standards either do not apply or are not relevant to the Company.
- (iii) Estimates
- On assessment of estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.
- (iv) Classification and measurement of financial assets
- The Company has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.
- (v) The Remaining Mandatory Exemptions as per Ind AS 101 – First time adoption of Indian Accounting Standards either do not apply or are not relevant to the Company.
- (vi) The Following reconciliation provide the explanation and qualification of the difference arising from the transition from previous GAAP to Ind-AS in accordance with Ind-AS 101 "First Time Adoption of Indian Accounting Standards"
- (a) Reconciliation of Equity / Balance Sheet as at 1/April, 2016 and 31 March, 2017.

Particulars	Note	GAAP Figures (Rupees) As at 31/03/2017 ₹	Effect of Transition to Ind-As	Ind-AS Figures (Rupees) As at 31/03/2017 ₹	GAAP Figures (Rupees) As at 31/03/2016	Effect of Transition to Ind-As	Ind-AS Figures (Rupees) As at 31/03/2016
<b>ASSETS</b>							
(1) Non-current assets							
(a) Property, Plant and Equipments	1	57,455,076	93,988,562	151,443,638	53,350,083	104,153,443	157,503,526
(b) Capital work-in-progress		927,945	-	927,945	411,211	-	411,211
(c) Financial Assets		-	-	-	-	-	-
(i) Investments	2	2,454,950	317,121	2,772,071	2,454,950	206,282	2,661,232
(ii) Loans		-	-	-	-	-	-
(iii) Other Financial Assets		1,491,794	-	1,491,794	1,484,679	-	1,484,679
(d) Deferred tax assets (net)		-	-	-	-	-	-
(e) Other non-current assets		-	-	-	-	-	-
		<b>62,329,765</b>		<b>156,635,448</b>			<b>162,060,648</b>
(2) Current assets							
(a) Inventories		34,572,658	-	34,572,658	40,155,109	-	40,155,109
(b) Financial Assets		-	-	-	-	-	-
(i) Investments		-	-	-	-	-	-
(ii) Trade receivables	3	29,387,257	(345,743)	29,041,514	70,209,521	(345,743)	69,863,778



Particulars	Note	GAAP Figures (Rupees)		Ind-AS Figures (Rupees)		Effect of Transition to Ind-As	GAAP Figures (Rupees)		Ind-AS Figures (Rupees)		Effect of Transition to Ind-As
		As at 31/03/2017 ₹	As at 31/03/2017 ₹	As at 31/03/2018	As at 31/03/2018		As at 31/03/2016	As at 31/03/2016			
(iii) Cash and cash equivalents		45,045,253	45,044,871		45,044,871	(382)	11,130,965	11,130,533	(432)	11,130,533	
(iv) Bank balances other than (iii) above		-	-	-	-	-	-	-	-	-	-
(v) Loans		-	-	-	-	-	103,000	103,000	-	103,000	-
(iv) Other Financial Assets		31,159	31,541	382	31,541	382	60,429	60,861	432	60,861	
(c) Current Tax Assets (Net)		938,805	938,805	-	938,805	-	1,534,584	1,534,584	-	1,534,584	
(d) Other current assets	4	11,092,190	121,067,322	(21,111)	11,071,079	(21,111)	7,824,384	131,018,492	(28,283)	7,796,601	1,30,644,466
<b>Total Assets</b>		<u>1,83,397,087</u>	<u>1,83,397,087</u>	-	<u>1,83,397,087</u>	-	<u>2,77,335,916</u>	<u>188,719,415</u>	-	<u>188,719,415</u>	<u>2,92,705,114</u>
<b>EQUITY AND LIABILITIES</b>											
<b>Equity</b>											
Equity Share capital		60,000,000	60,000,000	-	60,000,000	-	60,000,000	60,000,000	-	60,000,000	-
Other Equity	5	96,897,615	1,56,897,615	86,860,938	1,83,758,553	86,860,938	65,970,001	1,25,970,001	101,369,225	167,339,226	2,27,339,226
<b>LIABILITIES</b>											
<b>(2) Non-current liabilities</b>											
(a) Financial Liabilities		-	-	-	-	-	-	-	-	-	-
(b) Provisions	6	1,083,408	1,257,270	173,862	1,257,270	173,862	686,286	785,821	99,535	785,821	15,453,662
(c ) Deferred tax liabilities (net)	7	5,432,473	6,515,881	6,904,027	12,336,500	6,904,027	4,922,102	5,609,388	9,745,739	14,667,841	
<b>(3) Current liabilities</b>											
(a) Financial Liabilities		-	-	-	-	-	-	-	-	-	-
(i) Borrowings		-	-	-	-	-	7,068,932	7,068,932	-	7,068,932	-
(ii) Trade payables		14,407,832	14,407,832	-	14,407,832	-	34,145,133	34,145,133	-	34,145,133	-
(iii) Other Financial liabilities( Other than those specified in item ( c )		4,090,115	4,090,115	-	4,090,115	-	5,276,653	5,276,653	-	5,276,653	-
(b) Other current liabilities		1,485,646	1,485,646	-	1,485,646	-	3,421,508	3,421,508	-	3,421,508	-
(c) Short-term provisions		-	-	-	-	-	7,228,800	7,228,800	(7,228,800)	-	-
(d) Current Tax Liabilities (Net)	5D	-	19,983,593	-	-	-	19,983,593	57,141,026	-	-	49,912,226
		<u>1,83,397,088</u>	<u>1,83,397,088</u>	-	<u>1,83,397,088</u>	-	<u>2,77,335,915</u>	<u>1,88,719,415</u>	-	<u>1,88,719,415</u>	<u>2,92,705,114</u>

The Notes form an integral part of these Financial statements

(b) Reconciliation of Statement of Profit & Loss for the Year Ended 31 March, 2017.

Particulars	Note	GAAP Figures (Rupees)		Ind-AS Figures (Rupees)		Effect of Transition to Ind-As	GAAP Figures (Rupees)		Ind-AS Figures (Rupees)		
		Year ended 31/03/2018	Year ended 31/03/2018	Year ended 31/03/2018	Year ended 31/03/2017		Year ended 31/03/2017	Year ended 31/03/2017			
I Revenue from operations		2,34,661,713	2,34,661,713	-	2,34,661,713	-	2,83,350,974	2,83,350,974	-	2,83,350,974	
Less: GST	8	6,515,569	-	(6,515,569)	-	(6,515,569)	18,977,646	-	(18,977,646)	-	
Revenue from operations (net)		2,28,146,144	2,34,661,713	-	2,34,661,713	-	2,64,373,328	2,64,373,328	-	2,64,373,328	2,83,350,974
Other income	2,4,9	8,541,486	8,488,000	53,486	8,488,000	53,486	5,408,085	5,408,085	(118,011)	5,526,096	
<b>Total Income : (H-I)</b>		<u>2,36,687,630</u>	<u>2,43,149,713</u>	<u>(6,462,083)</u>	<u>2,43,149,713</u>	<u>(6,462,083)</u>	<u>2,69,781,413</u>	<u>2,69,781,413</u>	<u>(19,095,657)</u>	<u>2,69,781,413</u>	<u>2,86,877,070</u>
IV Expenses		-	-	-	-	-	-	-	-	-	-

Particulars	Note	GAAP Figures (Rupees)		Ind-AS Figures (Rupees)		GAAP Figures (Rupees)		Ind-AS Figures (Rupees)	
		Year ended 31/03/2018	Year ended 31/03/2018	Year ended 31/03/2018	Year ended 31/03/2018	Year ended 31/03/2017	Year ended 31/03/2017	Year ended 31/03/2017	Year ended 31/03/2017
(a) Cost of materials consumed		131,096,515	-	131,096,515	-	146,011,012	146,011,012	-	146,011,012
(b) Purchase of Stock-in-trade		-	-	-	-	1,879,743	1,879,743	-	1,879,743
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		2,759,697	-	2,759,697	-	5,826,931	5,826,931	-	5,826,931
(d) Excise Duty	8	-	(6,515,569)	6,515,569		-	(18,977,646)	18,977,646	
(e) Employee benefit expense		23,068,805	58,500	23,010,305		23,660,005	22,937,434	722,571	22,937,434
(f) Finance costs		217,459	-	217,459		227,317	227,317	-	227,317
(g) Depreciation and amortisation expense	1	4,852,104	(4,802,422)	9,654,526		4,630,898	(10,164,883)	14,795,781	
(h) Other expenses		38,641,896	-	38,641,896		41,479,655	41,479,655	-	41,479,655
<b>Total expenses : (IV)</b>			<b>200,636,476</b>		<b>211,895,967</b>		<b>223,715,561</b>		<b>252,135,519</b>
V Profit (loss) before exceptional item and tax (I-IV)			36,051,154		31,253,746		46,065,852		36,741,551
VI Exceptional items :-									
VII Profit before tax (V-VI)			36,051,154		4,797,408		31,253,746		36,741,551
VIII Profit before tax			36,051,154		4,797,408		31,253,746		36,741,551
Tax Expense :									
(1)Current Tax			(10,000,000)		-		(14,700,000)		(14,700,000)
(2)Deferred Tax	7		2,720,307		-		(510,371)		2,331,341
(3)Earlier Years			-		-		-		-
			-		-		72,133		72,133
			(7,279,693)		-		(7,279,693)		(12,296,526)
IX Profit for the period from continuing operations (VII-VIII)			28,771,461		4,797,408		23,974,053		24,445,025

The Notes form an integral part of these Financial statements

**(c) Explanation for Reconciliation of Financial Statements as previously reported under previous GAAP to Ind AS****1. Property, Plant and Equipment and Depreciation**

The Company was following Historical Cost Basis under the Previous GAAP and has on the Transition Date 1-April-2016, adopted fair market valuation of its under IND-AS. The Original cost has been replaced with Fair Value and the same has resulted in a Revaluation Reserve. Consequently Depreciation/Amortisation is charged on the Fair Value of the assets over the remaining useful life of the assets.

**2. Investments**

The Company was accounting for Investments at cost less Provision for Diminution in value under the Previous GAAP and has adopted fair market valuation under IND-AS on the Transition Date 1-April-2016. The Changes in the Fair Value have been accounted for as Other Income through Statement of Profit & Loss.

**3. Trade Receivables and Provision for Overdue Trade Receivables**

The Company has Provided for Overdue Trade Receivables on Transition Date 1-April-2016. The same has been charged to Other Comprehensive Income.

**4. Other Current Assets**

The Company was accounting for Loans to Employees, Advances & Deposits to Parties at Real Values under the Previous GAAP and the same have been treated as Financial Assets at Amortised cost under IND-AS on the Transition Date 1-April-2016. The Company is Recognising Interest income on these at Effective Interest Rate.

**5. Other Equity**

- A. Revaluation Reserve under the previous GAAP has been transferred to Retained Earnings.
- B. The Original cost of Plant Property and Equipment has been replaced with Fair Value and the same has resulted in a Revaluation Reserve under IND-AS.
- C. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in Statement of Profit and Loss, are shown as 'Other Comprehensive Income' in the Statement of Profit and Loss. The concept of other comprehensive income did not exist under previous GAAP. Hence the Company has presented a reconciliation between Statement of Profit and Loss and Total Comprehensive Income as per Ind AS.

**D. Proposed Dividend**

In the financial statements prepared under previous GAAP, dividend on equity shares recommended by the board of directors after the end of reporting period but before the financial statements were approved for issue, was recognised as a liability in the financial statements in the reporting period relating to which dividend was proposed. Under Ind AS, such dividend is recognised in the reporting period in which the same is approved by the members in a general meeting. On the date of transition, the above change in accounting treatment of proposed dividend has resulted in increase in equity with a corresponding decrease in provisions. The above change however, does not affect the Previous GAAP Statement of Profit and Loss.

**6. Provisions**

The company has estimated the Fair Value obligation in case of some Employees who are not covered under the Defined Benefit Scheme (Gratuity obligation) and the same has been provided for.

**7. Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

The changes to Assets / Liabilities and Incomes & Expenses on account of Transition to Ind-AS from Previous GAAP have resulted in temporary timing differences and changes to Carrying amount of Deferred Tax Assets / Liability.

**8. Revenue from operations**

Under previous GAAP, sale of goods was presented at net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased with a corresponding increase in Excise Duty under Expenses.

**9. Other Income**

The company has given Loans to Employees, Advances & Deposits to Parties. The same are accounted as Financial Assets at amortised cost. The Company is recognising Interest income on these at Effective Interest Rate.

The company has Invested in Shares / Securities and Mutual funds. The same have been recorded at Fair Value. The Changes in the Fair Value have been accounted for as Other Income through Statement of Profit & Loss.

**10. Employee benefit expense**

The change in Employee Benefit expense is on account of below reasons

- 1) Under Ind AS, re measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included as net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the Statement of Profit and Loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year.
- 2) The company has given loans to Employee and the Same is accounted as Financial Assets at amortised cost basis. The difference between the real value and the Discounted Fair Value is treated as employee Cost.
- 3) The company has estimated the Fair Value obligation in case of some Employees who are not covered under the Defined Benefit Scheme (Gratuity obligation) and the same has been provided for.

**11. Cash Flows**

The Transition to Ind-AS from Previous GAAP has not resulted in any material changes in Cashflow.

**Note 44:**

As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS.

**C. Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 has not resulted into any additional material temporary differences, hence there has been no change to deferred tax charge under Ind AS and previous GAAP.

**D. Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in Statement of Profit and Loss but are shown in the Statement of Profit and Loss as 'Other Comprehensive Income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under IGAAP. Hence the Company has presented a reconciliation between Statement of Profit and Loss and Total Comprehensive Income as per Ind AS.

**B. Provisions**

In the financial statements prepared under Previous GAAP, dividend on equity shares recommended by the board of directors after the end of reporting period but before the financial statements were approved for issue, was recognised as a liability in the financial statements in the reporting period relating to which dividend was proposed.

Under Ind AS, such dividend is recognised in the reporting period in which the same is approved by the members in a general meeting. On the date of transition, the above change in accounting treatment of proposed dividend has resulted in increase in equity with a corresponding decrease in provisions by Rs. 60Lac and Rs. Nil as at March 31, 2016 and March 31, 2017 respectively. The above change however, does not affect the Statement of Profit and Loss.

These are the Company's first financial statements prepared in accordance with Ind AS.

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Daikaffil Chemicals India Limited Report on the Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Daikaffil Chemicals India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 thereunder. We conducted our audit of the Ind AS financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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 state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity 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. 22,21,366/- as at 31st March, 2018, total revenues of Rs.55,455/- and net cash outflows of Rs.39,874/- for the year the year then ended on 31st March, 2018 in which the share of the profit of the Group is Rs.31,623/-. 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**

- 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (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" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The company has disclosed the impact of pending litigation on its financial position in its standalone financial statement.
  - (ii) 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.
  - (iii) 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: 28<sup>th</sup> May, 2018

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018**

				(Rupees)			
Particulars	Note	Consolidated As at 31/03/2018	Consolidated As at 31/03/2017	Consolidated As at 31/03/2016			
<b>ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, Plant and Equipments	2	146,905,544	151,443,638	157,503,526			
(b) Capital work-in-progress	2	108,519	927,945	411,211			
<b>(c) Financial Assets</b>							
(i) Investments	3	22,151,908	2,188,085	2,095,763			
(ii) Loans	4	595,340	-	-			
(iii) Other Financial Assets	5	1,580,2678	1,491,794	1,484,679			
(d) Deferred tax assets (net)		-	-	-			
(e) Other non-current assets		-	-	-			
		<u>171,341,579</u>	<u>156,051,462</u>	<u>161,495,179</u>			
<b>(2) Current assets</b>							
(a) Inventories	6	31,016,661	34,572,658	40,155,109			
<b>(b) Financial Assets</b>							
(i) Investments		-	-	-			
(ii) Trade receivables	7	46,440,998	29,041,514	69,863,778			
(iii) Cash and cash equivalents	8	37,075,174	47,058,115	13,062,699			
(iv) Bank balances other than (iii) above		-	-	-			
(v) Loans	4	174,000	-	103,000			
(vi) Other Financial Assets	9	45,679	31,541	60,861			
(c) Current Tax Assets (Net)	10	-	932,821	1,536,195			
(d) Other current assets	11	18,193,850	11,272,179	8,002,710			
<b>Total Assets</b>		<u>304,287,941</u>	<u>278,960,290</u>	<u>294,279,531</u>			
<b>EQUITY AND LIABILITIES</b>							
<b>(1) Equity</b>							
Equity Share capital	12	60,000,000	60,000,000	60,000,000			
Other Equity	13	195,380,731	183,758,584	167,339,256	227,339,256		
<b>LIABILITIES</b>							
<b>(2) Minority Interest</b>							
		1,657,174	1,752,043	1,696,491			
<b>(3) Non-current liability</b>							
<b>(a) Financial Liabilities</b>							
(i) Borrowings		-	-	-			
(ii) Other Financial liabilities		-	-	-			
(b) Provisions	14	1,160,638	1,257,270	785,821			
(c) Deferred tax liabilities (net)	15	9,569,835	12,197,303	14,520,439	15,306,260		
<b>(4) Current liabilities</b>							
<b>(a) Financial Liabilities</b>							
(i) Borrowings	16	-	-	7,068,932			
(ii) Trade payables	17	29,716,361	14,407,832	34,159,033			
(iii) Other Financial liabilities (Other than those specified in item (c))	18	5,027,926	4,090,115	5,276,653			
(b) Other current liabilities	19	1,590,348	1,497,143	3,432,906			
(c) Short-term provisions	20	184,928	-	-			
(d) Current Tax Liabilities (Net)		-	-	-			
<b>Total Equity and Liabilities</b>		<u>304,287,941</u>	<u>278,960,290</u>	<u>294,279,531</u>			

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

**MANISH PATEL**

Proprietor

Membership No. 107367

Mumbai: May 28, 2018

For and on behalf of the Board of Directors

**JAGDISH VASA**

Director

(DIN : 00170466)

**AMIT J. PATEL**

Managing Director

(DIN : 00005232)

**ADITYA A. PATEL**

Chief Financial Officer

(DIN : 00005276)

**MEENAL LADDA**

Company Secretary

Mumbai: May 28, 2018

(Membership No. 31499)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

		(Rupees)		
Particular	Note	Year ended 31/03/2018	Year ended 31/03/2017	
I	Revenue from operations	21	234,661,713	283,350,974
II	Other income	22	8,575,077	5,633,842
III	<b>Total Income : (I+II)</b>		<b>243,236,790</b>	<b>288,984,816</b>
IV	<b>Expenses</b>			
(a)	Cost of materials consumed	23	131,096,515	146,011,012
(b)	Purchase of Stock-in-trade	24	-	1,879,743
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	2,759,697	5,826,931
(d)	Excise Duty		6,515,569	18,977,646
(e)	Employee benefit expense	26	23,010,305	22,937,434
(f)	Finance costs	27	217,459	227,662
(g)	Depreciation and amortisation expense	2	9,659,535	14,800,790
(h)	Other expenses	28	38,972,695	41,498,255
	<b>Total expenses : (IV)</b>		<b>212,231,775</b>	<b>252,159,473</b>
V	<b>Profit (loss) before exceptional item and tax (I-IV)</b>		<b>31,005,015</b>	<b>36,825,343</b>
VI	<b>Exceptional items :-</b>	11	-	-
			-	-
VII	<b>Profit before tax (V-VI)</b>		<b>31,005,015</b>	<b>36,825,343</b>
VIII	<b>Tax Expense :</b>			
(1)	Current Tax		(10,000,000)	(14,720,500)
(2)	Deferred Tax	5	2,703,390	2,323,136
(3)	Earlier Years		1,000	72,598
			<b>(7,295,610)</b>	<b>(12,324,766)</b>
IX	<b>Profit for the period from continuing operations (VII-VIII)</b>		<b>23,709,405</b>	<b>24,500,577</b>
	Less : Share of Loss of Associates		-	-
	Less : Minority Interest		222,203	(55,552)
			<b>23,931,607</b>	<b>24,445,025</b>
XIV	Other Comprehensive Income / (Expense)			
A	(i) Items that will not be reclassified to profit and loss.		170,275	(796,898)
	- Employee Benefits		(421,167)	(796,898)
	- Depreciation Effect on Revaluation		-	-
	- Reversal of Earlier Provision for Doubtful Debts		591,442	-
(ii)	Income Tax relating to item that will not be reclassified to profit and loss.		(140,559)	(19,955)
	- Employee Benefits (Def. Tax)	-	(64,638)	(19,955)
	- Depreciation Effect on Revaluation (Def. Tax)		-	-
	- Reversal of Earlier Provision for Doubtful Debts (Def. Tax)		(75,921)	-
B	(i) Items that will be reclassified to profit and loss			
	(ii) Income Tax relating to item that will be reclassified to profit and loss.			
XV	<b>Total Comprehensive Income for the period XIII+XIV (Comprising Profit (Loss) and other comprehensive Income for the period)</b>		<b>23,961,323</b>	<b>23,628,172</b>
XVI	Earnings per Equity share (for continuing operation) Basic & Diluted		3.99	3.94
XVII	Earnings per Equity share (for discontinued continuing operations) Basic & Diluted			

**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 28, 2018

**For and on behalf of the Board of Directors**  
**JAGDISH VASA** Director  
(DIN : 00170466)  
**AMIT J. PATEL** Managing Director  
(DIN : 00005232)  
**ADITYA A. PATEL** Chief Financial Officer  
(DIN : 00005276)  
**MEENAL LADDA** Company Secretary  
(Membership No. 31499)  
Mumbai: May 28, 2018



**CONSOLIDATED CASH FLOW STATEMENT AS AT 31st MARCH, 2018**

	(Rupees)	
	Consolidated Figures As at 31/03/2018	Consolidated Figures As at 31/03/2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extraordinary items	31,005,015	36,825,343
<b>ADJUSTMENTS FOR :</b>		
Depreciation	9,659,535	14,800,790
Bad- Debt / Provision for Doubtfull Debts	591,442	-
Notional Ind-AS	(36,636)	(822,065)
Interest Paid	63,016	102,550
Investment Income	(554,556)	(123,693)
Loss/(Profit) on Sale of Fixed asset	22,694	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES.</b>	<b>41,249,610</b>	<b>50,782,925</b>
<b>ADJUSTMENTS FOR :</b>		
Trade and other Receivables	(24,528,065)	38,283,468
Taxes	(1,117,749)	(603,375)
Inventories	3,555,997	5,582,451
Trade payable and others₹	16,218,037	(22,451,710)
Repayment of Short Term Borrowings	-	(7,068,932)
Cash Generated from Operations	<b>35,377,832</b>	<b>64,524,827</b>
Interest paid	(63,016)	(102,550)
Direct Taxes paid	(8,881,252)	(14,044,457)
Cash flow before extraordinary items.	<b>26,433,564</b>	<b>50,377,820</b>
Extraordinary Items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>26,433,564</b>	<b>50,377,820</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including Capital WIP)	(4,419,701)	(9,252,627)
Fixed Deposit Matured	(2,679,290)	(82,073)
Fixed Deposit Placed	-	-
Purchase of investments	(19,944,545)	123,693
<b>Sale of Fixed Assets</b>	<b>100,000</b>	<b>-</b>
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(26,943,536)</b>	<b>(9,211,007)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Loan	-	-
Increase in Paid-up Capital	-	-
<b>Dividends paid</b>	<b>(12,276,480)</b>	<b>(7,228,800)</b>
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>(12,276,480)</b>	<b>(7,228,800)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(12,786,452)</b>	<b>33,938,013</b>
<b>CASH &amp; CASH EQUIVALENTS:</b>		
Opening Balance at Beginning of the year	(44,471,410)	10,533,397
Closing Balance at the End of the year	<b>3,16,84,958</b>	<b>44,471,410</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(12,786,452)</b>	<b>33,938,013</b>

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

**MANISH PATEL**

**Proprietor**

Membership No. 107367

Mumbai: May 28, 2018

For and on behalf of the Board of Directors

**JAGDISH VASA**

**Director**

(DIN : 00170466)

**AMIT J. PATEL**

**Managing Director**

(DIN : 00005232)

**ADITYA A. PATEL**

**Chief Financial Officer**

(DIN : 00005276)

**MEENAL LADDA**

**Company Secretary**

Mumbai: May 28, 2018

**(Membership No. 31499)**

**Statement of Changes in Equity for the Year Ended 31st March, 2018**

**(a) Equity share capital (Consolidated)**

Particulars	No. of Shares	Amount
Balance As at 1-April - 2016	7,558,716	755,87,160
Changes in Equity Share Capital During the year	-	-
Balance As at 31-March - 2017	7,558,716	75,587,160
Changes in Equity Share Capital During the year	-	-
Balance As at 31-March - 2018	7,558,716	75,587,160

**(b) Other Equity (Consolidated)**

Particulars	Other comprehensive Equity						Total Other Equity
	Revaluation Reserve (Old)	General Reserve	Share Premium	Surplus in Statement of Profit and Loss	Capital Reserve	Revaluation Reserve on PPE	
Balance As at 1-April - 2016 (Reinstated)	-	17,200,000	3,448,620	52,550,181	30	94,407,704	167,339,266
Profit For the Year	-	-	-	24,445,025	-	-	-
Transfer from Surplus to General Reserve	-	3,000,000	-	(3,000,000)	-	-	24,445,025
Payment of Corporate Dividend including Tax	-	-	-	(7,228,800)	-	-	(7,228,800)
Employee Benefits	-	-	-	-	-	(796,898)	(796,897)
Transfer to Retained Earning on Account of Depreciation Effect & for Revaluation of PPE	-	-	-	10,164,883	-	(10,164,883)	-
Deferred Tax (Other Comprehensive Income)	-	-	-	(2,841,712)	-	2,861,667	(19,955)
Balance As at 31-March - 2017	-	20,200,000	3,448,620	74,089,577	30	87,104,488	183,758,584
Profit For the Year	-	-	-	23,931,607	-	-	23,931,607
Payment of Corporate Dividend including Tax	-	-	-	(12,276,480)	-	-	(12,276,480)
Employee Benefits	-	-	-	-	-	(421,167)	(421,168)
Transfer to Retained Earning on Account of Depreciation Effect & for Revaluation of PPE	-	-	-	4,802,421	-	(4,802,421)	-
Deferred Tax (Other Comprehensive Income)	-	-	-	(1,946,936)	-	2,011,574	(83,618)
Reversal of Earlier Provision for Doubtful Debts	-	-	-	-	-	-	407,168
Balance As at 31-March - 2018	-	20,200,000	3,448,620	88,600,190	30	84,313,641	19,539,0731

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

**MANISH PATEL**

Proprietor

Membership No. 107367

Mumbai: May 28, 2018

For and on behalf of the Board of Directors

**JAGDISH VASA**

Director

(DIN : 00170466)

**AMIT J. PATEL**

Managing Director

(DIN : 00005232)

Chief Financial Officer

(DIN : 00005276)

Company Secretary

(Membership No. 31499)

**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).

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

Statement of Compliance with Indian Accounting Standards(IND AS): The financial statements have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules,2015 as amended and notified under section 133 of the Companies Act,2013,("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India. These are the Company's first INDAS financial statements. The Date of Transition to IND AS is 1st April, 2016.

Upto the financial year ended March 31,2017, the Company prepared its financial statements in accordance with the requirements of the previous applicable GAAP, which includes the standards notified under the Company (Accounting Standards) Rules,2006 notified under section 133 of the Act and other relevant provisions of the Act.

First-time Adoption: In accordance with IND AS 101 on First time Adoption of the Indian Accounting Standards, the Company's first IND AS financial statements include three Balance sheets viz. the Opening Balance sheet as at April 1,2016 and Balance Sheets as at March 31,2017 and as at March 31, 2018 with related notes. The same accounting policies have been used for all the periods presented.

**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:
- Investment in Associate company has been accounted under the equity method as per IND-AS 10 "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.
  - 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.
  - The Consolidation financial statement have been prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- B) The Associates entity considered in the consolidation financial statement is Erca Specialty Chemicals Pvt. Ltd incorporated in India and the parent is holding 25% of voting power as on Mar 31, 2017.

**3) Use of Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that effect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively.

**4) Accounting Estimates**

- A. Useful lives and residual values of property, plant and equipment

Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are as per Schedule II of the Companies Act,2013.

- B. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

**C. Defined benefit obligations**

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management. New Employees/ Directors whose obligation are not considered under the actuarial scheme have been made on an estimated basis on the discounting value of the liability based on management estimated rate.

**5) Current non-current classification**

Current versus non-current classification

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading
- b. Expected to be realized within twelve months after the reporting period, or
- c. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other Liabilities are classified as non-current.

**6) Property, plant and equipment:**

- A. Property, plant and equipment are stated at fair value , net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price (Net of Cenvat and VAT credit/GST input credit wherever applicable) and any attributable cost of bringing the assets to its working condition for its intended use. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Depreciation on Property, plant and equipment is calculated on a straight-line basis, from the month of addition, using the estimated useful lives, as specified in schedule II to the Companies Act, 2013.

Leasehold land is valued at fair value and being amortized on a straight-line basis over the residual lease term

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

- B. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

**7) IMPAIRMENT OF ASSETS**

The carrying amount of assets are reviewed for impairment at the end of each reporting date if there is any indication of impairment based on internal/external factor. An impairment loss is recognized in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash generating unit's fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining fair value, recent market transactions are taken into account.

## 8) FOREIGN CURRENCY TRANSACTIONS.

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

Transactions and balances

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All foreign currency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functional currency at the applicable exchange rates prevailing on that date. All exchange differences arising on translation are recognized in the Statement of Profit and Loss.

Gain or losses upon settlement of foreign currency transactions are recognized in the Statement of Profit and Loss for the period in which the transaction is settled.

## 9) INVESTMENTS :

The Investment in ERCA Specialty Chemicals Private Limited is measured at Fair value and any change is routed through Other Comprehensive Income.

Long term investments viz. Mutual funds, Securities/Shares if any are stated at fair value. Any change in fair value is routed through Statement of Profit and loss Account.

## 10) INVENTORIES :

Inventories consist of raw materials, packing materials, stores and consumables stock-in-trade and finished goods. Inventories are valued at lower of cost and net realizable value. Cost of inventories is determined on First in First out basis. Cost of manufactured finished goods and work-in-progress includes material cost determined on first in first out (FIFO) basis and also includes an appropriate portion of allocable overheads. Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Slow moving, non-moving and obsolete inventories are shown separately. Stores and consumables are valued at lower of cost or Net realizable value.

## 11) REVENUE RECOGNITION :

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when it is earned and no significant uncertainty exists as to its realisation or collection.

Sale of goods

Revenue from sale of goods is recognized when ownership in the goods is transferred to the buyer for a price, when significant risks and rewards of ownership have been transferred to the buyer and no effective control, to a degree usually associated with ownership, is retained by the Company. Sale of goods are stated net of trade discounts and volume rebates, and include excise duty but excluding Value Added Tax/Goods and Services Tax.

Under Indian GAAP, sale of goods was presented at net of excise duty. However, under Ind AS, sale of goods includes excise duty for the period 1st April, 2017 to 30th June, 2017. Hence excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by Rs. 65,15,569/- with a corresponding increase in other expenses category.

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

Export Incentives are accounted on accrual basis.

Interest income is recorded using the Effective interest rate (EIR) for Loans to employees and security deposit to suppliers. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset to the gross carrying amount of the financial asset.

## 12) RETIREMENT AND OTHER EMPLOYEE BENEFITS :

Gratuity

The Company provides for gratuity, a defined retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and tenure of employment with the Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using projected unit credit method. The Company fully contributes all ascertained liabilities to the Daikaffil Chemicals India Limited Employees' Group Gratuity Trust Fund ('the Trust'). Trustees administer contributions made to the Trusts and contributions are invested in insurance and deposit schemes.

The Company recognizes the net obligation of a defined plan in its Balance Sheet as an asset or liability.

Gains and losses through re measurements of the net benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in Statement of Profit and Loss.

Employees/Directors whose obligation are not considered under the actuarial scheme have been made on an estimated basis on the discounting value of the liability based on management estimated rate.

Provident fund

Eligible employees of the Company receive benefits from a Provident fund, which is defined benefit plan. Both the eligible employees and the Company make monthly contributions to the provident fund equal to a specified percentage of the covered employee's salary. The Company contributes a portion to Employees' Provident Fund Organization administered by the Government of India

ESIC

Eligible Employees of the Company are covered under Employee State Insurance Scheme.

Compensated absences

The Company has a policy on compensated absences which is applicable to its executives joined up to a specified period and all workers. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

### **13) TAXES ON INCOME :**

Income tax expense comprises current income tax and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income or other equity as the case may be.

Current income tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profits.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 14) 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.

## 15) PROVISIONS:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

## 16) Financial instruments

Non-derivative financial instruments:

Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

Subsequent measurement

Financial assets carried at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

De-recognition of financial instruments

Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in statement of profit and loss if such gain or loss would have otherwise been recognized in statement of profit and loss on disposal of that financial asset.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at Fair Value through Other Comprehensive Income (FVOCI), lease receivables, trade receivables, other contractual rights to receive cash or other financial asset not designated as at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

**17) Cash and cash equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

**18) Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**19) Cash dividend**

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

**20) Discounting Rate**

The Company has adopted discounting rate as per management's best judgment rate for fair value computations.

**21) Previous year Figures**

The figures of previous periods have been regrouped/reclassified/restated wherever necessary.

**22) Risk Management**

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.**



**Note 2 PROPERTY, PLANT AND EQUIPMENT**

Name of the Assets	Gross Block				Depreciation			Net Block				
	As at 01/04/2016	Adjustment/ Deduction for Revaluation	As at 01/04/2017	Additions	Deductions	As at 31/03/2018	Provided Upto 01/04/2017	Provided this year	Adjustment /Deduction during the year	As at 31/03/2018	As at 31/03/2017	
<b>LAND (LEASEHOLD)</b> (Previous Year)	3,900,000	-	78,000,000	-	-	78,000,000	1,344,828	1,344,828	-	2,689,656	75,310,344	76,655,172
<b>FACTORY BUILDING</b> (Previous Year)	23,774,422	74,100,000	78,000,000	18,757	-	78,000,000	-	1,344,828	-	1,344,828	76,655,172	78,000,000
<b>FLAT</b> (Previous Year)	319,031	36,768,691	60,543,113	15,600	-	60,558,713	11,838,113	4,870,500	-	16,708,613	39,483,080	43,849,811
<b>PLANT &amp; MACHINERY</b> (Previous Year)	101,750,461	1,786,612	97,262,349	5,069,386	126,667	102,205,068	74,951,909	2,437,663	-3,973	77,385,599	24,819,469	22,310,440
<b>ELECTRICAL INSTALLATIONS</b> (Previous Year)	5,879,895	-	93,248,601	4,013,748	-	97,262,349	67,948,078	7,004,121	-	74,952,199	22,310,150	25,300,523
<b>LABORATORY EQUIPMENT</b> (Previous Year)	1,515,344	5,971,297	5,971,297	113,460	-	6,084,757	5,496,686	235,016	-	5,731,702	353,055	474,611
<b>OFFICE EQUIPMENTS</b> (Previous Year)	1,812,744	-	1,845,394	2,742	-	1,848,136	1,197,116	108,978	-	1,306,094	542,042	648,278
<b>FURNITURE &amp; FIXTURES</b> (Previous Year)	1,326,462	-	1,846,072	330,050	-	1,845,394	1,056,959	140,117	-	1,197,116	648,278	458,345
<b>COMPUTER</b> (Previous Year)	639,463	-	1,812,744	33,328	-	1,846,072	993,037	199,562	-	1,192,599	653,473	819,707
<b>VEHICLES</b> (Previous Year)	142,509,548	104,153,443	1,405,066	34,782	-	1,439,848	1,183,188	119,053	-	1,302,241	137,607	221,878
<b>Total</b>	639,463	-	4,812,623	78,604	-	4,812,623	577,312	613,878	-	1,191,190	3,621,433	4,235,311
			639,463	4,173,160	-	4,812,623	73,054	504,258	-	577,312	4,235,311	566,409
			<b>255,398,883</b>	<b>5,239,127</b>	<b>126,667</b>	<b>260,511,343</b>	<b>103,955,245</b>	<b>9,654,526</b>	<b>-3,973</b>	<b>113,605,798</b>	<b>146,905,544</b>	<b>151,448,638</b>
Previous year			246,662,991	8,735,892	-	255,398,883	89,159,465	14,795,781	-	103,955,246	151,443,637	157,503,526
Capital Work-in-Progress											108,519	927,945
											147,014,063	152,371,583

Note : The Company had revalued the PPE as on 1/04/2016 as per Inc-AS.

	31/03/2018	31/03/2017
Depreciation for the Year	9,654,526	14,795,781
Preliminary Expenses Written off	5,009	5,009
Depreciation and Amortization expense charged to Profit & loss for the year	9,659,535	14,800,790

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

**Note 3 : Non Current Investments**

	Consolidated As at 31/03/2018	Consolidated As at 31/03/2017	Consolidated As at 31/03/2016
(i) Mutual Fund (Quoted) :-			
Franlin India Prima Plus Dividend Option(Unit 67286.782)	2,500,000	-	-
ICICI Prudential Regular Saving Fund Growth Option (Units 807993.752)	15,008,565	-	-
Kotak Select Focus Fund Regular Plan Dividend Option (Units 110175.841)	2,499,669	-	-
	<u>20,008,234</u>	-	-
(ii) Investment in 13193 (13193) shares of face value Rs.100/- each of Tarapur Environment Protection Society Ltd.	2,143,674	2,188,085	2,095,763
	<u>22,151,908</u>	<u>2,188,085</u>	<u>2,095,763</u>

**Note 4 : Financial Assets : Loans**

Unsecured and Considered Good

Loans to Employees (At Amortised Cost)

- Non Current Loans

595,340

-

-

- Current Loans

174,000

-

103,000

769,340

-

103,000

**Note 5 : Financial Assets - Non Current : Others**

Unsecured and Considered Good

A Security Deposits

677,576

677,725

664,035

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

902,692

814,069

763,055

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

-

-

57,589

1,580,268

1,491,794

1,484,679

**Note 6 : Inventories - As certified by Management**

**Valued at Lower of Cost or Net Realizable Value :**

Raw Materials

20,452,186

21,440,358

21,040,677

Work-in- Progress

9,261,706

9,763,993

14,504,683

Finished Goods

697,270

2,929,677

3,841,714

Stock-in-Trade

40,830

65,833

240,037

**Valued at Cost :**

-

-

-

Stores and Spares.

273,124

76,075

247,748

Packing Materials

291,545

296,722

280,250

31,016,661

34,572,658

40,155,109

Slow-Moving Goods

3,840,061

-

-

Regular Goods

27,176,600

34,572,658

40,155,109

31,016,661

34,572,658

40,155,109

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

**Note 7 :Trade Receivables**

	Consolidated As at 31/03/2018	Consolidated As at 31/03/2017	Consolidated As at 31/03/2016
Unsecured and Considered Good Outstanding for a period exceeding six months from the date they are due for payment	-	666,442	666,442
Less : Provision forDoubtful Debts	-	(591,442)	(591,442)
Parties with CommonDirectors	-	-	-
OtherTrade Receivables	46,440,998	28,966,514	69,788,778
	<u>46,440,998</u>	<u>29,041,514</u>	<u>69,863,778</u>

**Note 8 :Cash and Bank Balances**

	Consolidated As at 31/03/2018	Consolidated As at 31/03/2018	Consolidated As at 31/03/2016
A Cash and Cash Equivalents :			
Cash on hand	102,834	117,236	189,267
Balances with Banks in current accounts	31,576,049	44,348,504	10,338,886
Cheques on Hand	-	-	-
Deposit Accounts (with maturity Less than 3 months)	6,075	5,670	5,244
	<u>31,684,958</u>	<u>44,471,410</u>	<u>10,533,397</u>
B Others bank balances :-			
-Deposit Accounts (with maturity more than 3 months but less than 12 months)	3,907,710	1,228,421	1,146,348
- Earmarked balances with bank for Unpaid Dividends	1,482,506	1,358,284	1,382,954
	<u>5,390,216</u>	<u>2,586,705</u>	<u>2,529,302</u>
	<u>37,075,174</u>	<u>47,058,115</u>	<u>13,062,699</u>

**Note 9 : Financial Assets - Current : Others**

Unsecured and Considered Good Interest Accrued on Investments/Deposits	45,679	31,541	60,861
	<u>45,679</u>	<u>31,541</u>	<u>60,861</u>

**Note 10 : Current Tax Assets (Net)**

	Consolidated As at 31/03/2018	Consolidated As at 31/03/2017	Consolidated As at 31/03/2016
Minimum Alternate Tax Credit Entitlement	-	-	-
For others			
For Advance Tax / TDS	24,515,072	15,653,321	17,748,195
Less : Provision for Income Tax	24,700,000	14,720,500	16,212,000
	(184,928)	932,821	1,536,195
Less Refer note 20	(184,928)	-	-
	-	932,821	1,536,195

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

Note 11 : Other Current Assets

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
<b>Unsecured and Considered Good</b>			
Prepaid Expenses	364,141	395,777	387,141
Cenvat Credit Receivable	-	2,753,650	2,781,046
GST Input Credit Receivable	7,568,579	-	-
GST Refund Recievable	5,016,907	-	-
Balances with Government Authorities	145,395	4,214,173	1,798,662
Advances to Suppliers	16,014	514,412	392,356
Insurance Claim Receivable	94,889	-	-
<b>For others</b>			
MVAT Recoverable from Govt.	196,091	1,000,644	1,875,104
DEPB Licence Unutilised	4,791,834	2,388,515	758,383
Misc Exp to the extent not Written off or adjusted		5,008	10,018
	<u>18,193,850</u>	<u>11,272,179</u>	<u>8,002,710</u>

Note 12: Share Capital

<b>a) Authorised</b>	<u>65,000,000</u>	<u>65,000,000</u>	<u>65,000,000</u>
65,00,000 (65,00,000) Equity Shares of Rs.10/- Each.			
<b>b) Issued,subscribed and Paid up :</b>	<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>
60,00,000 (60,00,000) Equity Shares of Rs.10/- Each.			
	<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>

c) Reconciliation of number of Equity Shares :

Particulars	As at 31/03/2018		As at 31/03/2017		As at 31/03/2016	
	No. of Shares	Value (Rupees)	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	6,000,000	60,000,000
Add: Shares Issued during the year	-	-	-	-	-	-
Balance at the end of the year	<u>6,000,000</u>	<u>60,000,000</u>	<u>6,000,000</u>	<u>60,000,000</u>	<u>6,000,000</u>	<u>60,000,000</u>

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 31/03/2018		As at 31/03/2017	
	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	As at 31/03/2017
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%

# The management has been informed that the said Company is now Under Liquidation and Ms. Sylvie Thysen is appointed as the Official Liquidator.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

**Note 13 :Reserves and Surplus**

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
Share Premium	<b>3,448,620</b>	3,448,620	3,448,620
General Reserve	<b>20,200,000</b>	20,200,000	17,200,000
Surplus in Statement of Profit and Loss	<b>88,600,190</b>	74,089,577	52,550,181
Capital Reserve	<b>30</b>	30	30
Revaluation Reserve	<b>84,313,641</b>	87,104,488	94,407,704
Other Comprehensive Equity	<b>(1,181,750)</b>	(1,084,131)	(267,279)
	<b><u>1,95,380,731</u></b>	<u>1,83,758,584</u>	<u>1,67,339,256</u>

**Note 14 : Non Current Provisions**

	As at 31/03/2018	As at 31/03/2017	As at 31/03/2016
Employees benefits :-			
Provision for Gratuity (Refer note No. 24 Fund lying with LIC- In a separate trust account)	<b>27,982</b>	271,991	-
Provision for Gratuity Unfunded	<b>259,445</b>	173,862	99,535
Provision for Leave Encashment	<b>873,211</b>	811,417	686,286
	<b><u>1,160,638</u></b>	<u>1,257,270</u>	<u>785,821</u>

**Note 15 : Deferred Tax Liabilities (Net)**

	Consolidated As at 31/03/2018	Charge/ (credit) during the year	Consolidated As at 31/03/2017	Charge/ (credit) during the year	Consolidated As at 31/03/2016
Deferred Tax Liabilities:					
on account of timing difference in depreciation	<b>10,040,600</b>	(2,598,751)	12,639,351	(2,144,697)	14,784,048
	<b><u>10,040,600</u></b>	<u>(2,598,751)</u>	<u>12,639,351</u>	<u>(2,144,697)</u>	<u>14,784,048</u>
Deferred Tax Assets:					
on account of Employee Cost / Benefits	<b>550,257</b>	298,006	252,251	252,217	34
on account of Allowances / disallowances Under Income Tax Act, 1961	<b>(79,492)</b>	(269,289)	189,797	(73,778)	263,575
	<b><u>470,765</u></b>	<u>28,717</u>	<u>442,048</u>	<u>178,439</u>	<u>263,609</u>
Net Deferred tax liability	<b><u>9,569,835</u></b>	<u>(2,627,468)</u>	<u>12,197,303</u>	<u>(2,323,136)</u>	<u>14,520,439</u>
Charge/ (credit) during the year to Profit & Loss for the Year		(2,7,03,389)			14,520,439
Charge/ (credit) during the year to OCI		75,921			-
		<u>(2,627,468)</u>			<u>14,520,439</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018**

**Note 16 Financial liabilities - Current: Borrowings**

	<b>Consolidated As at 31/03/2018</b>	Consolidated As at 31/03/2017	Consolidated As at 31/03/2016
Secured Loan #			
From Bank			
- Cash Credit	-	-	2,037,667
- Export Packing Credit	-	-	5,031,265
	<u>-</u>	<u>-</u>	<u>7,068,932</u>
Secured against hypothecation of Stock in Trade, Book Debts, Plant and Machinery, Other Fixed Assets and Mortgage by Deposit of Title Deeds of Leasehold Land.			

**Note 17 : Financial liabilities - Current : Trade payables**

Due to Micro, Small and Medium Enterprises *	<b>2,894,516</b>	1,357,843	70,032
Due to creditors other than Micro, Small and Medium Enterprises	<b>26,821,845</b>	13,049,989	34,089,001
Due to Related Parties	-	-	-
	<u><b>29,716,361</b></u>	<u>14,407,832</u>	<u>34,145,133</u>

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

**Note 18 : Other Financial liabilities - Current**

Liability Towards Employees	<b>3,545,421</b>	2,731,831	3,893,699
Unpaid Dividend #	<b>1,482,506</b>	1,358,284	1,382,954
	<u><b>5,027,927</b></u>	<u>4,090,115</u>	<u>5,276,653</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 19 : Other Current liabilities**

Other Liabilities	<b>623,934</b>	580,091	2,211,708
Statutory Liabilities	<b>496,976</b>	686,925	1,006,798
Trade Deposit and Advance	<b>469,438</b>	230,127	214,400
	<u><b>1,590,348</b></u>	<u>1,497,143</u>	<u>3,432,906</u>

**Note 20 : Short Term Provisions**

	<b>As at 31/03/2018</b>	As at 31/03/2017	As at 31/03/2016
Provision for Income Tax	<b>24,700,000</b>	14,720,500	16,212,000
Less : Advance Tax / TDS	<b>24,515,073</b>	15,653,321	17,748,195
	<b>184,928</b>	(932,821)	(1,536,195)
Less Refer Note 10	-	(932,821)	(1,536,195)
	<u><b>184,928</b></u>	<u>-</u>	<u>-</u>
	<u><b>184,928</b></u>	<u>-</u>	<u>-</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	Year ended 31/03/2018	Year ended 31/03/2017
<b>Note 21: Revenue from Operations</b>		
a) Sale of Products :- (Refer Note 21A)		
- Manufactured Finished Goods	2,28,521,925	2,75,938,742
- Trading Goods	-	2,122,076
	<u>2,28,521,925</u>	<u>2,78,060,818</u>
b) Other Operating Revenue (Export Incentives)	6,139,788	5,290,156
Revenue from Operations(Net)	<u>2,34,661,713</u>	<u>2,83,350,974</u>
<b>21(A) Details of Products Sold</b>		
(i) Sale of finished Goods		
Organic Intermediates (Net of Excise)	98,868,530	1,29,702,731
Optical Brighteners (Net of Excise)	1,23,137,826	1,27,258,365
Add: Excise Duty	6,515,569	18,977,646
(ii) Sale of Goods - in - Trade (Net of Excise Duty)		
Organic Intermediates	-	-
Optical Brighteners	-	2,122,076
	<u>2,28,521,925</u>	<u>2,78,060,818</u>
<b>Note 22 : Other Income</b>		
Interest :		
- On Bank Deposits	2,765,797	1,832,608
- Others	73,227	150,131
Exchange Gain ( Net)	5,590,729	3,516,313
Miscellaneous Income	50,435	134,790
Insurance Claim	94,889	-
	<u>8,575,077</u>	<u>5,633,842</u>
<b>Note 23 : Raw Materials Consumed</b>		
Raw materials Consumed :		
Opening stock	21,440,358	21,040,677
Add : Purchase	1,30,108,343	1,49,109,793
	<u>1,51,548,701</u>	<u>1,70,150,470</u>
Less : Raw Material Sales	-	2,699,100
	<u>1,51,548,701</u>	<u>1,67,451,370</u>
Less : Closing Stock	20,452,186	21,440,358
	<u>1,31,096,515</u>	<u>1,46,011,012</u>
<b>(A) Details of Raw Materials Consumed</b>		
<b>Chemicals</b>		
Organic Intermediates	1,22,457,451	1,38,094,654
Inorganic Intermediates	8,639,064	7,916,358
	<u>1,31,096,515</u>	<u>1,46,011,012</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

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

	2017-18		2016-17	
	Value	% to total Consumption	Value	% to total Consumption
<b>Raw Materials :</b>				
Imported at landed cost	54,669,417	42%	54,503,310	37%
Indigenously obtained	76,427,098	58%	91,507,702	63%
	<u>1,31,096,515</u>	<u>100%</u>	<u>1,46,011,012</u>	<u>100%</u>
<b>Note 24 :Purchase of Goods - in- Trade</b>				
Organic Intermediates (Net of Excise)		-		-
Optical Brighteners (Net of Excise)		-		1,879,743
		<u>-</u>		<u>1,879,743</u>
<b>Note 25 : Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade</b>				
Opening Stock				
Work- in- Progress	9,763,993		14,504,683	
Finished Goods	2,929,677		3,841,714	
Stock-in-Trade	<u>65,833</u>	<u>12,759,503</u>	<u>240,037</u>	18,586,434
Less : Closing Stock				
Work - in - Progress	9,261,706		9,763,993	
Finished Goods	697,270		2,929,677	
Stock-in-Trade	<u>40,830</u>	<u>9,999,806</u>	<u>65,833</u>	12,759,503
		<u>2,759,697</u>		<u>5,826,931</u>
<b>Note 26 : Employee Benefit expenses</b>				
Salaries, Wages and Bonus		20,469,830		20,572,364
Contribution to Provident, Gratuity and other Funds *		1,909,225		1,710,964
Staff Welfare Expenses		631,250		654,106
		<u>23,010,305</u>		<u>22,937,434</u>

\* As required by Ind-AS 19 Employees Benefits (Ind-AS-19), 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		543,962	588,479
- Employers' Contribution to PF / Employees' State Insurance		328,369	47,317
- Employers' Contribution to Employees' Pension Scheme, 1995		618,475	730,026
	A	<u>1,490,806</u>	<u>1,365,822</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)



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

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

- Employers' Contribution to LIC Group Gratuity Scheme	294,881	245,937
- Employers' Contribution to LIC Leave Encashment Scheme	3,813	(2,902)
- LIC fund management charges	34,142	27,780
- Employers' Contribution for Gratuity Scheme Unfunded	85,583	74,327
	-	-
B	<u>418,419</u>	<u>345,142</u>
<b>Total (A+B)</b>	<u><u>1,909,225</u></u>	<u><u>1,710,964</u></u>

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

	As at 31/03/2018		As at 31/03/2017	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>A Changes in the Present Value of Obligation</b>				
Present Value Of Obligation as at Beginning of the Year	5,032,439	811,417	4,334,606	686,286
Interest Cost	402,595	64,914	346,768	54,902
Current Service Cost	273,122	4,025	250,545	3,240
Past service Cost	-	-	-	-
Benefits paid	(352,847)	(39,435)	(617,948)	(43,294)
Acturial Gains / (Loss)	423,277	32,290	718,468	110,283
Present value of Obligation as at the end of the year	<u>5,778,586</u>	<u>873,211</u>	<u>5,032,439</u>	<u>811,417</u>
<b>B Changes in the Fair Value of Plan Assets</b>				
Fair Value of Assets as at Beginning of the Year	4,760,448	814,069	4,392,195	763,055
Expected return (Calculated @ Discount Rate)	380,836	65,126	351,376	61,044
Acturial Gains / (Loss)	34,474	(74)	31,263	590
Net Contribution by Employer	927,693	63,007	603,563	32,674
Benefits paid	(352,847)	(39,435)	(617,948)	(43,294)
Fair value of Assets as at the end of the year	<u>5,750,604</u>	<u>902,692.66</u>	<u>4,760,448</u>	<u>814,069.67</u>
<b>C Amount Recognised in the Balance sheet</b>				
Present value of Obligation as at the end of the year	5,778,586	873,211	5,032,439	811,417
Fair value of Assets as at the end of the year	5,750,604	902,693	4,760,448	814,069
Unfunded Liability / (Net asset) Recognised in Balance Sheet	<u>27,982</u>	<u>(29,481.66)</u>	<u>271,990.75</u>	<u>(2,652.21)</u>
<b>D Balance sheet Reconciliation</b>				
Net Liability at the beginning of the year	271,991	(2,652)	(57,589)	(76,769)
Expense Recognised during the year	683,684	36,177	933,143	106,791
Contribution during the year	(927,693)	(63,007)	(603,563)	(32,674)
Net Liability Recongnised at the end of the year	<u>27,982.01</u>	<u>(29,481.66)</u>	<u>271,990.75</u>	<u>(2,652.67)</u>
<b>E Amount recognised in Statement of Profit &amp; Loss</b>				
Current Service Cost	273,122	4,025	250,545	3,240
Interest Cost	402,595	64,914	346,768	54,902
Expected Return on Plan Asset	(380,836)	(65,126)	(351,376)	(61,044)
Settlement Cost / (Credit)	-	-	-	-
Past Service cost	-	-	-	-
<b>Total Expenses charged to Statement of Profit &amp; Loss</b>	<u>294,881</u>	<u>3813.46</u>	<u>245,937</u>	<u>-2902.43</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

	As at 31/03/2018		As at 31/03/2017	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>F Amount recognised in Statement of Profit &amp; Loss (Other Comprehensive Income)</b>				
Actuarial Gains / (Loss) PV of Obligation	<b>423,277</b>	<b>32,290</b>	718,468	110,283
Actuarial Gains / (Loss) FV of Plan Assets	<b>(34,474)</b>	<b>74</b>	(31,263)	(590)
	<b><u>388,803</u></b>	<b><u>32,364</u></b>	<b><u>687,205</u></b>	<b><u>109,693</u></b>
<b>G Percentage of each category of Plan assets to Fair Value of plan Assets</b>				
(1) Insurer Managed fund	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>H Actuarial Assumptions</b>				
Discount Rate	<b>0.08</b>	<b>0.08</b>	0.08	0.08
Expected return on Plan	0.08	0.08	0.08	0.08
Salary Escalation	<b>0.04</b>	<b>0.04</b>	0.04	0.04
The principle plan assets consist 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. (Refer Note 1.11)				

**Year ended 31/03/2018**                      Year ended 31/03/2017

**Note 27 : Finance Cost**

Bank Interest	<b>63,016</b>	102,550
Processing, documentation and other borrowing cost	<b>154,443</b>	125,112
	<b><u>217,459</u></b>	<u>227,662</u>

**Note 28 : Other Expenses**

Manufacturing Expenses		
Consumption of stores and spare parts	<b>121,449</b>	172,462
Power and fuel	<b>12,379,180</b>	13,249,810
Water consumption	<b>476,726</b>	723,849
Water treatment	<b>471,272</b>	441,436
Repairs and maintenance - Buildings	<b>11,645</b>	57,992
Repairs and maintenance - Machinery	<b>953,594</b>	1,792,604
Electrical Maintenance.	<b>67,757</b>	43,484
Laboratory Expenses	<b>207,582</b>	229,407
Handling Loss	<b>51,821</b>	59,987
<b>TOTAL (A)</b>	<b><u>14,741,026</u></b>	<u>16,771,031</u>
Selling, Distribution and Administration expenses		
Rent including lease rentals	<b>1,131,467</b>	850,875
Repairs and maintenance - Others	<b>63,917</b>	78,638
Consumption of packing materials	<b>5,336,179</b>	5,402,943
Insurance	<b>532,788</b>	575,735
Rates and taxes	<b>230,419</b>	362,366
Communication	<b>678,333</b>	578,440
Travelling and conveyance	<b>1,088,716</b>	1,339,593
Printing and stationery	<b>324,207</b>	289,401
Freight and forwarding	<b>5,667,541</b>	5,985,947
Sales commission	<b>113,100</b>	128,574
Discount	<b>8,643</b>	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

	Year ended 31/03/2018	Year ended 31/03/2017
Business promotion	155,403	216,753
Legal and professional	2,091,467	2,922,955
Payments to auditors		
- Audit Fees	175,800	176,600
- Tax Audit Fees	60,000	60,000
- Certification Fees/Other Services	46,500	64,750
Bank Commission & Charges	314,793	442,997
Clearing & Forwarding Charges	490,932	511,400
Export Freight	348,853	1,084,057
Electricity charges	82,510	81,934
Vehicle Expenses	455,474	424,632
Membership & Filing Fees	439,146	477,903
Terminal Handling Charges	1,326,710	954,585
Director Sitting fees	312,500	347,500
Entertainment Expenses	466,434	236,415
Share Transfer Expenses	165,212	149,115
Security Charges	540,000	134,516
Indirect Taxes on Assessment	-	151,070
Miscellaneous expenses	1,583,625	697,530
<b>TOTAL (B)</b>	<b>24,231,669</b>	<b>24,727,224</b>
<b>TOTAL (A + B)</b>	<b>38,972,695</b>	<b>41,498,255</b>

**Note 29 : 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	CAFFIL PRIVATE LTD.	AMICHEM	KEY MANAGEMENT PERSONNEL	Other Director
1 Purchase (net)	3,663,263			
2 Service charges paid	694,850			
3 Service charges for use of premises	-	1,131,467	-	
4 Remuneration to Directors *	-		2,712,100	
5 Director - Sitting Fees	-		-	312,500

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

**Note 30 : Contingent Liabilities**

PARTICULARS	As at 31/03/2018	As at 31/03/2017
1 Outstanding Letters of Credit	1,898,630	3,314,808
2 Outstanding Bank Guarantee	1,850,000	1,850,000
	<b>3,748,630</b>	<b>5,164,808</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note 31 :** 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 32 :** Sundry Debtors and Loans and Advances are subject to confirmation.

**Note 33 : Consolidated financial statement**

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

**Note 34 : Earnings per Share**

Particulars	As at 31/03/2018	As at 31/03/2017
(A) Profit attributable to Equity Shareholders (Rs.)	23,931,607	24,445,025
(B) No. of Equity Share outstanding during the year.	6,000,000	6,000,000
(C) Face Value of each Equity Share ( Rs.)	10	10
(D) Basic & Diluted earning per Share ( Rs.)	3.99	4.07

**Note 35**

	As at 31/03/2018		for the year ended at 31/03/2018	
	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	99%	2,55,380,702	101%	23,974,053
ASSOCIATE				
Erca Speciality Chemicals Pvt Ltd	1%	2,209,565	-1%	(296,270)
<b>Sub-Total</b>		<b>2,57,590,267</b>		<b>23,677,783</b>
Less : Inter Company Adjustments/ Elimination		2,209,535		(253,825)
<b>Total</b>		<b>2,55,380,732</b>		<b>23,931,608</b>

As per our report attached.

For **MANISH PATEL & COMPANY**

Chartered Accountants

Firm Reg. No. 126272W

**MANISH PATEL**

Proprietor

Membership No. 107367

Mumbai: May 28, 2018

For and on behalf of the Board of Directors

**JAGDISH VASA**

Director

(DIN : 00170466)

**AMIT J. PATEL**

Managing Director

(DIN : 00005232)

**ADITYA A. PATEL**

Chief Financial Officer

(DIN : 00005276)

**MEENAL LADDA**

Company Secretary

(Membership No. 31499)

Mumbai: May 28, 2018

**Notes**

**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 26th Annual General Meeting of the Company, to be held on 10th August, 2018 Hotel Sarovar Residency, Near Hotel Sarovar, P-180, Tarapur M.I.D.C Area, Chitralay, Boisar West, Dist.Palghar, 401 506 at 10.00 A.M. thereof in respect of such resolutions, as are indicated below:

	Resolution	For	Against
1.	Consideration of Financial Statements and the reports		
2.	Declaration dividend on Equity Shares		
3.	Re-appoint Mr. Amit Patel, liable to retire by rotation		
4.	Appointment of Auditors and fix their remuneration		
5.	Re-appointment of Mr. Amit Patel (DIN: 00005232), Managing Director of the Company for a further period of 5 years commencing from January 01, 2018 and ending on December 31, 2023		
6.	Re-appointment of Mr. Aditya Patel (DIN: 00005276), Jt. Managing Director, of the Company for a further period of 5 years commencing from June 01, 2018 and ending on May 31, 2023		
7.	Appointment of Mr. Sunil Merchant (DIN: 01064306), as Independent Director of the Company for a period of 5 years commencing from June 20, 2018 and ending on June 19, 2023.		

Signed this .....Day of ..... 2018

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

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

Affix ₹ 1/- Revenue Stamp
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**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.

**Notes**

**Notes**



## Route Map for venue of AGM



If undelivered please return to:  
Link Intime India Pvt Ltd  
C – 101, C Wing, 1st Floor,  
247 Park, LBS Marg,  
Vikhroli West,  
Mumbai – 400 083  
Tel No. 49186270  
Fax no. 49186060  
Email id : [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)