



DAIKAFIL
CHEMICALS INDIA LIMITED

22nd ANNUAL REPORT
2013-2014

DAIKAFFIL

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

Bankers Karnataka Bank Limited

Auditors Gaurang Merchant & Company

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

Corporate Office 52, Nariman Bhavan, Nariman Point,
Mumbai-400021

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

ANNUAL GENERAL MEETING

Date: September, 26th 2014

Time: 11.30 A.M.

Venue: E-4, M.I.D.C. Tarapur, Boisar,
Dist. Palghar, Maharashtra-401506

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

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of **DAIKAFFIL CHEMICALS INDIA LIMITED** will be held on Friday, the 26th Day of September, 2014 at 11.30 A.M. at E-4, M.I.D.C. Tarapur, Boisar, District Thane, Maharashtra-401506 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet for the year ended on 31st March, 2014 and Statement of Profit & Loss as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March 2014.
3. To appoint a Director in place of Mr. Aditya A Patel (DIN: 00005276), who retires by rotation and being eligible has offered himself for re-appointment.
4. To re-appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to section 139(2) of the Companies' Act, 2013 read with the Companies' (Audit and Auditors) Rules, 2014, M/s Gaurang Merchant & Co., Chartered Accountants (Registration no. 103111W), be and are hereby appointed as a Statutory Auditors of the Company for the five consecutive years, commencing from the conclusion of this Annual General Meeting until the conclusion of the 27th Annual General Meeting at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies' Act, 2013 and the rules made there under, read with Schedule V of the Companies' Act, 2013 and such other approvals as may be necessary, the Consent of the Company be and is hereby granted to the re-appointment of Mr. Sishir R. Amin (DIN: 00005247) as a Managing Director of the Company for a period of five years with effect from 1st April, 2014 on the salary, remuneration and perquisites as set out in the letter issued to him and laid before the Meeting with liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Sishir Amin within the limits specified in Schedule V of the Companies' Act, 2013 or any amendments, modifications or re-enactments made from time to time by the Central Government in this behalf. The terms and conditions in accordance with Schedule V to the Companies' Act, 2013 are as set out below,

REMUNERATION:

- (i) Basic Salary of INR 89000/- (Rupees Eighty Nine Thousand) per Month
- (ii) Bonus as per rules & regulations of the Company and at the discretion of the Board of Directors.
- (iii) In addition to above salary, in the years in which the Company has sufficient profit, Mr. Sishir Amin be paid commission on the annual net profits of the Company as may be decided by the Board at the end of each financial year, computed in the manner laid down in Section 197 of the Companies Act, 2013.

PERQUISITES:

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

CATEGORY "A"

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

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

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

DAIKAFFIL

CATEGORY "B"

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

CATEGORY "C"

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

Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director a remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be decided by the Board of Directors of the Company.

6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, and other applicable provisions of the Companies' Act, 2013 and the rules made thereunder, read with Schedule V of the Companies' Act, 2013, and such other approvals as may be necessary, the Consent of the Company be and is hereby granted to the appointment of Mr. Amit Patel (DIN:00005232) as Executive Chairman of the Company for a period of five years with effect from 1st April, 2014 on the salary, remuneration and perquisites as set out in the letter issued to him and laid before the Meeting with liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Amit Patel within the limits specified in Schedule V of the Companies' Act, 2013 or any amendment(s), modification(s) or re-enactment(s) made from time to time by the Central Government in this behalf. The terms and conditions in accordance with Schedule V to the Companies' Act, 2013 are as set out below.

REMUNERATION:

- (i) Basic Salary of INR 51000/- (Rupees Fifty One Thousand Only) per month.
- (ii) Bonus as per rules & regulations of the Company and at the discretion of the Board of Directors.
- (iii) In addition to above salary, in the years in which the Company has sufficient profit, Mr. Amit Patel be paid commission on the annual net profits of the Company as may be decided by the Board at the end of each financial year, computed in the manner laid down in Section 197 of the Companies Act, 2013.

PERQUISITES:

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

CATEGORY "A"

- (i) **Housing I:** The expenditure incurred by the Company on hiring furnished accommodation for the Executive Chairman will be subject to the following ceiling:

60 per cent of the salary, over and above 10 per cent payable by the Managing Director.

Housing II: In case the accommodation is owned by the Company, ten percent of salary of the Executive Chairman Director shall be deducted by the Company.

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

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

CATEGORY "B"

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

CATEGORY "C"

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

Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay to the Executive Chairman a remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be decided by the Board of Directors of the Company.

7. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant the provisions of Section 149 152 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 Clause 49 of the Listing Agreement, Mr. Hiroshige Tanaka (DIN 05247491), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual general Meeting 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 the conclusion of the 27th Annual General Meeting of the Company.
8. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provision of section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including statutory modifications or re-enactments thereof for the time being in force) and clause 49 of the listing agreement, Mr. Sudhir Patel Director having DIN 00012036 of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing 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 the conclusion of the 27th Annual General Meeting of the Company.
9. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provision of section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including statutory modifications or re-enactments thereof for the time being in force) and clause 49 of the listing agreement, Mr. Jagdish Vasa, having DIN 00170466 Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing 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 the conclusion of the 27th Annual General Meeting of the Company.
10. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provision of section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including statutory modifications or re-enactments thereof for the time being in force) and clause 49 of the listing agreement, Mr. Giuseppe Seccomandi having DIN 02213496 Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing 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 the conclusion of the 27th Annual General Meeting of the Company.

By Order of the Board

For DAIKAFFIL CHEMICALS INDIA LIMITED
SISHIR R. AMIN
MANAGING DIRECTOR

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

Date: May 23, 2014
Place: Mumbai

DAIKAFFIL

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Shares Transfer Books of the Company will be closed from Friday, the 19th day of September, 2014 to Friday, the 26th day of September 2014 (both days inclusive).
3. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 3rd October, 2014 to those Members whose names stand registered on the Company's Register of Members:
 - i. As Beneficial Owners as at the end of the business hours on 19th day of September, 2014 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in Dematerialized form.
 - ii. As Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before 19th September, 2014.
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, 2006 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund established by the Central Govt.

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

Financial Year	Type of Dividend	Date of Declaration	Date of Transfer
2007-2008	Final Dividend	30-09-2008	06-11-2015
2008-2009	Final Dividend	30-09-2009	06-11-2016
2009-2010	Final Dividend	28-07-2010	03-09-2017
2010-2011	Final Dividend	30-09-2011	06-11-2018
2011-2012	Final Dividend	28-09-2012	03-09-2019
2012-2013	Final Dividend	27-09-2013	03-10-2020

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

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

10. The Annual Report of the Company for the year 2013-2014 is also uploaded on the Company's website (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 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.

13. 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.evoting.nsdl.com> during the following voting period.

a)	Commencement of E-Voting:	20th September 2014 (10.00 A.M onwards)
b)	End of e-voting:	22nd September 2014 (till 6.00 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 22nd August - 2014

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

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

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

In case of members receiving e-mail:

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

For Members holding shares in Demat Form and Physical Form

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

 - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
 - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

DOB# Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

DAIKAFFIL

Dividend Bank Details#

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

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

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

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

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

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

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

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

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

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

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

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

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

By Order of the Board of Directors
For DAIKAFFIL CHEMICALS INDIA LIMITED
SISHIR R. AMIN
MANAGING DIRECTOR

Date: May 23, 2014
Place: Mumbai

EXPLANATORY STATEMENT IN RESPECT OF ITEMS NOS. 5 TO 10 OF THE NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**ITEM NO. 5**

The Shareholders will recall approving re-appointment of Shri Sishir R. Amin as Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2009 at the Annual General Meeting of the Company held on 30th September, 2009.

Considering the growth and progress of the Company during his tenure as Managing Director, the Remuneration Committee and the Board of Directors of the Company, at their meeting held on 23rd May, 2014, considered and recommended his re-appointment and payment of remuneration as mentioned in the resolution for a period of 5 years w.e.f. 1st April, 2014, subject to the approval of the Shareholders in the ensuing Annual General Meeting.

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

The Board commends passing of the Resolutions as set out in Item No. 5 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

ITEM NO. 6

The Remuneration Committee of the Board of Directors and the Board of Directors at their Meeting held on 23rd May 2014 decided to appoint Mr. Amit Patel as Executive Chairman of the Company w.e.f. 1st April, 2014 for a period of 5 (five) Years.

Considering his total commitment and devotion to the Company, for managing corporate affairs and particularly looking after technical side of production and expansion in hand, the Remuneration Committee and the Board has recommended his appointment on payment of remuneration as mentioned in the resolution for a period of 5 years w.e.f. 1st April, 2014 subject to the approval of the Shareholders in the ensuing Annual General Meeting.

The Executive Chairman as long his function as such, shall not be paid any fees for attending the meeting of the Board of Directors or any committee thereof.

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

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

ITEM NO. 7 to 10

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company. The period of office of these Directors was liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Jagdish Vasa, Mr. Sudhir Patel, Mr. Hiroshige Tanaka, and Mr. Giuseppe Seccomandi being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

The Board of Directors has recommended appointment of Mr. Jagdish Vasa, Mr. Sudhir Patel, Mr. Hiroshige Tanaka, and Mr. Giuseppe Seccomandi as Independent Directors of the Company.

Mr. Jagdish Vasa, Mr. Sudhir Patel, Mr. Hiroshige Tanaka, and Mr. Giuseppe Seccomandi, Non-Executive Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

By Order of the Board
for **DAIKAFFIL CHEMICALS INDIA LIMITED**
SISHIR R. AMIN
MANAGING DIRECTOR

Date : May 23, 2014
Place : Mumbai

DAIKAFFIL

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Twenty Second Annual Report together with the Audited statement of Accounts along with the Report of the Auditors for the year ended 31st March, 2014

FINANCIAL RESULTS:

	2013-2014 (Rupees)	2012-2013 (Rupees)
Sales etc. and other income	<u>336,904,333</u>	<u>303,869,615</u>
Profit before Depreciation, Interest and Tax	<u>32,143,659</u>	<u>023,246,385</u>
Less: Depreciation	6,104,085	5,617,696
Interest	<u>2,887,394</u>	<u>2,847,087</u>
	8,991,479	8,464,783
Profit before Tax	<u>23,152,180</u>	<u>14,781,602</u>
Provision for Tax		
Current Tax	(80,00,000)	(4,900,000)
MAT Credit / (Set off)	--	(258,000)
Deferred Tax	<u>(577,073)</u>	<u>63,045</u>
	(8,577,073)	(5,094,955)
(Excess)/Short Provision Tax		(32,725)
Provision for Diminution in value of investment	(219,946)	--
Prior Period Expenses		--
Excess Depreciation Charged in previous years	--	96,700
		--
Profit after Tax	<u>14,355,161</u>	<u>9,750,622</u>
Add: Balance Brought forward from the previous year	<u>19,945,543</u>	<u>15,227,946</u>
Profit available for Appropriation	<u>34,300,704</u>	<u>24,978,568</u>
Appropriation		
Transfer to General Reserve	2,500,000	1,500,000
Proposed Dividend	4,800,000	3,000,000
Corporate Dividend Tax Thereon/short provision of Dividend Tax	815,760	5,33,025
Balance carried forward	<u>26,184,944</u>	<u>19,945,543</u>
	<u>34,300,704</u>	<u>24,978,568</u>

REVIEW OF OPERATIONS:

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

Revenue from operations increased by 11% i.e. from Rs. 30.39 crores in previous year to Rs. 33.69 crores in current year. Exports increased by 12% i.e. from Rs. 21.25 crores in previous year to Rs. 23.82 crores in current year. Profit before tax increased by 54% i.e. from Rs. 148.78 lacs in previous year to Rs. 229.32 lacs in current year