



DAIKAFIL
CHEMICALS INDIA LIMITED

25
YEARS

25th ANNUAL REPORT

2016-2017

CIN: L24114MH1992PLC067309

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONAL

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

BANKERS

Karnataka Bank Limited

SECRETARIAL AUDITOR

Dinesh Kumar Deora (Practicing Company Secretary)

AUDITORS

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

**REGISTRARS AND SHARE
TRANSFER AGENTS**

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

CORPORATE OFFICE

52, Nariman Bhavan, Nariman Point, Mumbai 400 021

REGISTERED OFFICE AND PLANT

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

ANNUAL GENERAL MEETING

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

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

NOTICE

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

ORDINARY BUSINESS:

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

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

By Order of the Board of Directors

For DAIKAFFIL CHEMICALS INDIA LIMITED

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

Date: May 16, 2017

Place: Mumbai

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Shares Transfer Books of the Company will be closed from the 29th July 2017 to 4th August 2017 (both days inclusive).
3. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 4th August 2017 to those Members whose names stand registered on the Company's Register of Members:
 - (i) As Beneficial Owners, as at the end of the business hours 28th July 2017 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in Dematerialized form.
 - (ii) As Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before 28th July 2017.

4. The members are requested to:
 - (a) Intimate to the Company's Registrars and Share Transfer Agents M/s Link Intime India Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date;
 - (b) Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
 - (c) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
 - (d) Get the shares transferred in joint names, if they are held in single name to avoid 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, 2010 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund established by the Central Govt.

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

Financial Year	Type of Dividend	Date of Declaration	Date of Transfer
2009-2010	Final Dividend	28-07-2010	03-09-2017
2010-2011	Final Dividend	30-09-2011	06-11-2018
2011-2012	Final Dividend	28-09-2012	03-10-2019
2012-2013	Final Dividend	27-09-2013	03-10-2020
2013-2014	Final Dividend	26-09-2014	03-10-2021
2014-2015	Final Dividend	21-08-2015	25-09-2022
2015-2016	Final Dividend	02-09-2016	06-10-2023

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

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

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

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

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

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

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

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

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

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (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 | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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"> • 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.

(xviii) Note for Non – Individual Shareholders and Custodians

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

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

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

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

AMIT PATEL
(MANAGING DIRECTOR)
(DIN: 00005232)

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

ANNEXURE TO ITEM 3 OF THE NOTICE

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

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

DIRECTORS' REPORT

Dear Members,

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

1. FINANCIAL RESULT

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

2. OPERATIONS

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

3. DIVIDEND

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

4. BOARD EVALUATION

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

5. RISK MANAGEMENT POLICY

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

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

6. DEPOSITS

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

7. CONSOLIDATED FINANCIAL STATEMENT

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

8. STATUTORY AUDITORS

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

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

9. AUDITORS REMARKS AND OBSERVATION

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

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

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

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

Conservation of Energy and Technology Absorption

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

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