



DAIKAFIL
CHEMICALS INDIA LIMITED

27
YEARS

27th ANNUAL REPORT

2018-2019

CIN: L24114MH1992PLC067309

DAIKAFFIL

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(Resigned w.e.f. May 23, 2019)
Sunil Merchant	(Independent Director) DIN: 01064306
Maithili Siswawala	(Independent Director) DIN: 07107622

KEY MANAGERIAL PERSONAL

Amit J. Patel	(Managing Director)
Aditya A. Patel	(Chief Financial Officer)
Minal Ladda	(Company Secretary) (Ceased w.e.f. January 31, 2019)
Mohan Bavkar	(Company Secretary) (Appointed w.e.f. February 08, 2019)

SECRETARIAL AUDITOR

Mr. Dinesh Kumar Deora	(Practicing Company Secretary)
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AUDITORS

CNK & Associates LLP	(Statutory Auditors) (Ceased w.e.f. June 17, 2019)
KC Mehta & Co.	(Statutory Auditors) (Appointed w.e.f. June 17, 2019)
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:	02 nd August, 2019
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 **27TH ANNUAL GENERAL MEETING** of the Members of **DAKAFFIL CHEMICALS INDIA LIMITED** will be held on **FRIDAY, THE 02ND DAY OF AUGUST, 2019** 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:

The Standalone Audited Financial Statements for the financial year ended March 31, 2019 including the Audited Balance Sheet as at March 31, 2019 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Aditya Patel, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. 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 pursuant to approval of the Board of Directors, appointment of K C Mehta & Co., Chartered Accountants, Mumbai, (Firm Registration No.106237W), 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 32nd 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."

SPECIAL BUSINESS:

4. APPROVAL OF REMUNERATION OF MR. AMIT PATEL AS PER SCHEDULE V OF THE COMPANIES ACT, 2013

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

"RESOLVED THAT in partial modification of the earlier resolution passed by the shareholders at its 26th Annual General Meeting and pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to approval of Nomination and Remuneration Committee and Board of Directors, consent of the Members be and is hereby accorded to pay remuneration to Mr. Amit Patel, Managing Director of the Company, as per the limits mentioned under Section II (A) of Part II of Schedule V of the Companies Act, 2013;

RESOLVED FURTHER THAT the limits of schedule V of the Companies Act, 2013 shall be applicable from F.Y.2018-19 onwards;

RESOLVED FURTHER THAT as per the requirements of schedule V the tenure of Mr. Amit Patel shall stand curtailed to three years instead of five years i.e. from period commencing from January 01, 2018 to December 31, 2021;

RESOLVED FURTHER THAT other terms and conditions as mentioned in the resolution passed in the 26th Annual General Meeting, as far as they are in line with Schedule V of the Companies Act, 2013, shall remain the same."

5. APPROVAL OF REMUNERATION OF MR. ADITYA PATEL AS PER SCHEDULE V OF THE COMPANIES ACT, 2013

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

"RESOLVED THAT in partial modification of the earlier resolution passed by the shareholders at its 26th Annual General Meeting and pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to approval of Nomination and Remuneration Committee and Board of Directors, consent of the Members be and is hereby accorded to pay remuneration to Mr. Aditya Patel, Jt. Managing Director and CFO of the Company, as per the limits mentioned under Section II (A) of Part II of Schedule V of the Companies Act, 2013;

RESOLVED FURTHER THAT the limits of schedule V of the Companies Act, 2013 shall be applicable from F.Y.2018-19 onwards;

RESOLVED FURTHER THAT as per the requirements of schedule V the tenure of Mr. Aditya Patel shall stand curtailed to three years instead of five years i.e. from period commencing from June 01, 2018 to May 31, 2021;

RESOLVED FURTHER THAT other terms and conditions as mentioned in the resolution passed in the 26th Annual General Meeting, as far as they are in line with Schedule V of the Companies Act, 2013, shall remain the same."

6. Re-appointment of Mr. Sudhir Patel (DIN: 00012036), Independent Director of the Company for a further period of 5 years.

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

"RESOLVED THAT pursuant to the provisions of sections 149,152 and any other applicable provisions, if any, of the Companies Act, 2013 ("the act"), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Sudhir Patel (DIN: 00012036), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years i.e. from September 25, 2019 to September 25, 2023 and whose office shall not be liable to retire by rotation."

7. Appointment of Mrs. Maithali Siswawala (DIN: 07107622) as Independent Director of the Company for a period of 5 years.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Maithili Siswawala (holding DIN 07107622), a non-executive Director of the Company, who is eligible for appointment as Independent Director 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 her candidature for the office of Director, and who has submitted a declaration that she meets the criteria for Independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years w.e.f. May 23, 2019 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

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

Sd/-

Mohan Bavkar

Company Secretary
(Membership no: A 22014)

Place; MUMBAI

Date: June 17, 2019

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 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. The Annual Report of the Company for the year 2018-2019 is also uploaded on the Company's website (www.daikaffil.com)
8. 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.
9. Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.
10. **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.**
11. In accordance with provisions 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.

Commencement of E-Voting:	30 th July 2019 (10.00 A.M onwards)
End of e-voting:	01 st August 2019 (till 5.00 P.M.)
Book Closure	27 th July 2019 to 02 nd August 2019

During the E-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date may cast their vote electronically. The cutoff date for the limited purpose of e-voting is 26th July 2019. The EVSN for voting is 190617001. The Company has appointed Mr. Dinesh Kumar Deora as scrutinizer for the meeting.

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) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> 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.

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (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**

Sd/-
Mohan Bavkar
(Company Secretary)
(Membership No: A 22014)

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

Place: Mumbai
Date: June 17, 2019

ADDITIONAL INFORMATION ON ITEM NO. 3

M/S C N K & Associates LLP, Chartered Accountants (Firm Registration No. 101961 W/ W-100036) who were the Company's statutory Auditors expressed their unwillingness to continue as the statutory auditors of the Company from F.Y. 2019-20 onwards. The Management was informed by the Auditors that the auditors wanted a fee hike and the management was of the view that at this point of time where the Company has incurred inadequate profits its not viable for the Company to pay the fee demanded by the auditors and accordingly it was mutually & amicably decided to part ways. Accordingly, the Auditors have tendered their resignation with effect from June 17, 2019.

The Board of Directors at their meeting held on June 17, 2019 appointed K.C. Mehta and Co., Chartered Accountants, with immediate effect (i.e. June 17, 2019) subject to the approval of shareholders in the ensuing 27th Annual General Meeting.

A brief profile of Auditors is given below:

Established five decades ago, KC Mehta & Co. has, over the years, expanded into a dynamic organization that offers a spectrum of financial services to diverse clientele. As a vibrant association that brings together great minds at work, we adopt a pro-active approach to respond to business needs.

Headquartered in Mumbai India at 508, 5th Floor, The Summit Business Bay, Nr. WEH Metro Station, Off Andheri, Kurla Road, Gundavali, Andheri East, Mumbai, 400069, with branches in Vadodara, Ahmedabad and Bengaluru, they cater to clients across several geographies and service lines.

The Board of Directors recommend the passing of ordinary resolution at Item No. 3.

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 Nos. 4 & 5

The Members of the Company had reappointed Mr. Amit Patel and Mr. Aditya Patel as Managing Director and Jt. Managing Director of the Company respectively for a further period of five years in the 26th Annual General Meeting of the Company held in the year 2018.

During the financial year 2018-19 your Company had inadequate profit as compared to previous financial year.

As per Part A of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, it may, pay remuneration to the managerial person as per the limits under (A) given below:-

(1)	(2)
Where the effective capital is	Limit of yearly remuneration payable shall not exceed (Rupees)
(i) Negative or less than 5 crores	60 lakhs
(ii) 5 crores and above but less than 100 crores	84 lakhs
(iii) 100 crores and above but less than 250 crores	120 lakhs
(iv) 250 crores and above	120 lakhs plus 0.01% of the effective capital in excess of Rs. 250 Cr.

Your Company's effective capital falls under i. category, hence the limits which shall be applicable post the approval of shareholders shall be as per (i) table above.

Information as required under Schedule V alongwith Notice calling the general meeting is mentioned below:

I. General Information:

Nature of Industry	:	Chemical Manufacturing
Date or Expected date of commencement of commercial production	:	NA
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	NA
Financial performance based on given indicators	:	Forms part of the Directors Report under the para Financial Highlights
Foreign investments or collaborations, if any	:	NA

II. Information about the appointees:

Background Details	:	Refer Annexure – 1 to the Notice
Past Remuneration	:	Refer Annexure – 1 to the Notice
Recognition or awards	:	NA
Job Profile and suitability	:	Mr. Amit Patel:

He is on the board of the Company since 1992 and has an extensive experience in Chemical Industry. As an Executive Director, he is charged with the responsibility of enhancing the value of the DAKAFFIL's Chemical Business. He is also responsible for Business development and Product development.

Mr. Aditya Patel:

He is been the on the Board since 2012. Since then he has shown his leadership quality in the areas of sales, marketing and purchases. Apart from being an Executive Director he is also the Chief Financial Officer of the Company and Member of the Audit Committee.

Remuneration proposed	:	NA
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	:	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Amit Patel and Mr. Aditya Patel, the remuneration is commensurate with the remuneration packages paid to their similar counterparts in other companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	:	Refer Annexure – 1 to the Notice

IV. Other Information:

1. Reasons for Loss or Inadequate profits: