

ceekay
CLUTCH

| | | | | |
|-----|-------------------------------------|-------------------------------------|-----|-------------------------------------|
| MD | <input checked="" type="checkbox"/> | | BKC | <input checked="" type="checkbox"/> |
| CS | <input checked="" type="checkbox"/> | | DPY | NA |
| PO | <input checked="" type="checkbox"/> | | DIV | <input checked="" type="checkbox"/> |
| TRA | <input checked="" type="checkbox"/> | | AC | <input checked="" type="checkbox"/> |
| AGM | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | SHI | <input checked="" type="checkbox"/> |
| VE | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> |



CEEKAY
DAIKIN
LIMITED



DIRECTORS

| | |
|-------------------------|-------------------|
| HARISH MAHINDRA | CHAIRMAN |
| PRAVINCHANDRA V. GANDHI | |
| DR. RAM S. TARNEJA | |
| HOMI C. H. BHABHA | |
| SHREEKANT V. MEHTA | |
| MASAKI ABE | |
| Ms. SANDHYA. S. GADKARI | NOMINEE OF ICICI |
| MAHESH B. KOTHARI | MANAGING DIRECTOR |
| PRADEEP B. CHINAI | MANAGING DIRECTOR |

COMPANY SECRETARY

DEEPAK N. TANNA

BANKERS

BANK OF MAHARASHTRA
 THE UNITED WESTERN BANK LTD.
 THE SARASWAT CO-OPERATIVE BANK LTD.
 THE BANK OF TOKYO-MITSUBISHI LTD.

AUDITORS

D. L. SHAH & CO.
 CHARTERED ACCOUNTANTS, MUMBAI.

REGISTERED OFFICE & FACTORY

PLOT NO. L - 4, M.I.D.C. INDUSTRIAL AREA,
 CHIKALTHANA, AURANGABAD - 431 210, MAHARASHTRA.

HEAD OFFICE

NKM INTERNATIONAL HOUSE, 4TH FLOOR,
 178, BABUBHAI M. CHINAI MARG, MUMBAI - 400 020

REGISTRAR & TRANSFER AGENTS

PCS INDUSTRIES LTD.,
 HYFA BUILDING NO.2, 1ST FLOOR, NEAR JHONSON & JHONSON,
 KURLA ANDHERI ROAD, SAFED POOL, MUMBAI - 400 072.

CEEKAY DAIKIN LIMITED

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of CEEKAY DAIKIN LIMITED will be held on Saturday, 23rd August, 1997 at 12:00 noon at the Registered Office at Plot L-4, MIDC Industrial Area, Chikalthana, P.O. CIDCO, Aurangabad - 431 210, Maharashtra, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditors' Report and the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 1997.
2. To consider declaration of dividend.
3. To appoint a Director in place of Mr. Pravinchandra V. Gandhi who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Dr. Ram S. Tarneja who retires by rotation and being eligible offers himself for reappointment.
5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Messrs. D.L. Shah & Co. Chartered Accountants, Central Bldg. No. 2, Silk Bazar, Mumbai - 400 002, be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs. 30,000/- and reimbursement of out-of-pocket expenses incurred by them in course of the audit."

SPECIAL BUSINESS

6. To pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provision of the Companies Act, 1956 and in particular section 314(1B) and any other applicable provisions, if any, and subject to the approval of the Central Government the Company hereby accords its consent, to Mr. Nishit R. Kothari as Assistant General Manager- Materials who is a relative of Mr. Mahesh B Kothari, Managing Director of the Company, currently holding and continuing to hold an office or place of profit in the company at a current basic salary of Rs. 10,000/- P.M. together with usual allowances and benefits, amenities and facilities including staff superannuation fund, gratuity and provident fund benefits, applicable to other employees occupying similar post or posts within the same salary scale or grade".

" RESOLVED FUTHER that this resolution shall be deemed to confer the necessary authority to the management to sanction at their discretion with approval of the Central Governemt, when necessary, revisions within the grade as thay may deem fit and proper to change to other grade or grades at their discretion and in due course together with allowances and benefits as may be applicable to the grade or grades for the time being and to give revision in remuneration within that grade or grades as the management may deem fit and proper".

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"RESOLVED FURTHER that the remuneration payable to Mr. Nishit R. Kothari as aforesaid will be subject to, such modification, if any, as the Central Government may suggest or require, which the management is hereby authorised to accept on behalf of the Company and which may be acceptable to Mr. Nishit R. Kothari and is not less favourable to the Company."

7. To pass with or without modifications, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provision of the Companies Act, 1956 and in particular to section 314 (1B) and any other applicable provisions, if any, the company hereby accords its consent and approval, to appoint Mr. Saurabh M. Kothari as Manager, who is a relative of Mr. Mahesh B. Kothari and Mr. Pradeep B. Chinai, Managing Directors of the Company. He will hold office or place of profit under the company, with effect from 1st October, 1997, in grade GMG-III at the initial basic salary of Rs. 8,500/- per month together with the usual allowances and benefits, amenities and facilities including staff superannuation fund, gratuity and provident fund benefits, applicable to other employees occupying similar post or posts within the same salary scale or grade.

" RESOLVED FURTHER that this resolution shall be deemed to confer the necessary authority to the management to sanction at their discretion with approval of the Central Government, when necessary, revisions within the grade as they may deem fit and proper to change to other grade or grades at their discretion and in due course together with allowances and benefits as may be applicable to the grade or grades for the time being and to give revision in remuneration within that grade or grades as the management may deem fit and proper."

"RESOLVED FURTHER that the remuneration payable to Mr. Saurabh M. Kothari as aforesaid will be subject to, such modification, if any, as the Central Government may suggest or require, which the management is hereby authorised to accept on behalf of the Company and which may be acceptable to Mr. Saurabh M. Kothari and is not less favourable to the Company."

By Order of the Board of Directors

D. N. TANNA
COMPANY SECRETARY

Registered Office:
Plot L-4, MIDC Industrial Area,
Chikalthana, Aurangabad - 431 210.
Maharashtra.

Mumbai, 30th June, 1997.

CEEKAY DAIKIN LIMITED

NOTES :

1. A STATEMENT OF MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS UNDER ITEM NOS. 6 & 7 ABOVE IS ANNEXED HERETO.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER.
3. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
4. Register of Members and Share Transfer Books of the Company will remain closed from 13th August, 1997 to 23rd August, 1997 (both days inclusive).
5. A copy each of the Directors' Report, Auditors' Report and Audited Profit & Loss Account of the Company for the financial year ended 31st March, 1997 and Balance Sheet as on that date are annexed.
6. Shareholders are requested to inform the Registrar & Transfer Agents immediately of any change in their address.
7. Dividend on Equity Shares when sanctioned will be paid to those members who are entitled thereto and whose names stand on the Company's Register of Members as on 23rd August, 1997.
8. The documents relating to any of the items referred to in the Notice are available for inspection at the Registered Office of the Company between 11.00 a.m. to 3.00 p.m. on any working day.
9. The unclaimed dividends from the company's financial year 1987-88 upto 1992-93 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said years are requested to claim the amount from Registrar of Companies, Maharashtra, Fancy Corporation Building, Hakoba Compound, Kala Chowki, Mumbai 400 033. The unclaimed dividend in respect of the year 1993-94 will be due for transfer to Central Government on 11th November, 1997.

| Dividend no. | Date of Declaration | Financial year | Due for transfer on |
|-----------------|------------------------|-------------------|------------------------|
| 7th | 24.09.94 | 1993-94 | 11.11.97 |
| 8th | 16.09.95 | 1994-95 | 03.11.98 |
| 9th | 18.09.96 | 1995-96 | 05.11.99 |

23RD ANNUAL REPORT 1996-97**ceekay****ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT 1956.**

As required by Section 173(2) of the companies Act, 1956 and in conformity with the provisions, the following Explanatory Statement set out all material facts relating to item No. 6 & 7.

ITEM NO. 6

As the members are aware, Mr Nishit R. Kothari a relative of Mr. Mahesh B. Kothari is working in the company and his appointment was approved at the Annual General Meeting held on 29.07.1988. Under Sub-section (1B) of section 314 of the Companies Act, 1956, it is necessary to obtain prior consent of the Company by a special resolution and the approval of the Central Government for holding or continuing to hold office or place of profit under the Company in any such office or place of profit carrying a total monthly remuneration of Rs. 20,000/- or more. Mr. Nishit R. Kothari has been working with the Company for almost ten years and has worked in various departments. Since he is relative of Mr. Mahesh B. Kothari, Managing Director and his total remuneration exceeds Rs. 20,000/- per month the proposed Special Resolution is intended to obtain the consent of the Company and approval of the Central Government to his holding or continuing to hold office or place of profit under the Company.

None of the Directors except Mr. Mahesh B. Kothari are interested or concerned in this item of business.

ITEM NO. 7

Under Section 314(1B) of the Companies Act, 1956, a special resolution is required for enabling any relative of a Director of the Company (holding office or place of profit) to hold any office or place of profit under the company. Mr. Saurabh M. Kothari, who is B.Com, M.B.A. is presently under training at Daikin Clutch Corporation, USA, and is expected to join the company's services with effect from 1st October, 1997 as Manager, at an initial basic monthly Remuneration of Rs. 8,500/- in grade GMG-II: with usual benefits/perquisites. He is a relative of Mr. Mahesh B. Kothari and Mr. Pradeep B. Chinai, Managing Directors of the Company. Under Sub-Section (1B) of Section 314 of the Companies Act, 1956 it is necessary to obtain prior consent of the company by a special resolution and the approval of the Central Government for holding or continuing to hold office or place of profit under the company in any such office or place of profit carrying a total monthly remuneration of Rs. 20,000/- or more. Since, Mr. Saurabh M. Kothari is a relative of Mr. Mahesh B. Kothari and Mr. Pradeep B. Chinai, Managing Directors the proposed Special Resolution is intended to obtain the consent of the company and approval of the Central Government, when necessary, for his appointment to hold office or place of profit under the company.

None of the Directors except Mr. Mahesh B. Kothari and Mr. Pradeep B. Chinai are interested or concerned in this item of business.

CEEKAY DAIKIN LIMITED**DIRECTORS' REPORT****TO****THE MEMBERS**

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 1997.

1) FINANCIAL RESULTS :

| | 1996-97 | 1995-96 |
|---|--------------------|--------------------|
| | Rs. in lacs | Rs. in lacs |
| i) INCOME | | |
| Sale of products & other services | 4,932.74 | 3,851.58 |
| ii) EXPENSES | | |
| Manufacturing and other expenses | (4,098.15) | (3,200.06) |
| iii) OPERATING PROFIT | | |
| (before interest & depreciation) | 834.59 | 651.52 |
| iv) INTEREST | (400.72) | (298.54) |
| v) GROSS PROFIT | | |
| (before depreciation) | 433.87 | 352.98 |
| vi) DEPRECIATION | (220.25) | (161.67) |
| vii) PROFIT | | |
| (after depreciation) | 213.62 | 191.31 |
| viii) PROVISION FOR TAXES | (28.00) | Nil |
| ix) PROFIT AFTER TAX | 185.62 | 191.31 |
| x) Balance of profit brought forward from previous year | 179.66 | 97.11 |
| xi) Income tax in respect of earlier year. | Nil | (6.32) |
| Xii) Dividend Tax | (8.19) | Nil |
| xiii) Amount available for appropriations | 357.09 | 282.10 |
| xiv) APPROPRIATIONS : | | |
| a) Proposed Dividend | 81.87 | 57.75 |
| b) Transfer to General Reserve | 25.50 | 25.00 |
| c) Transfer to Debenture Redemption Reserve | 19.69 | 19.69 |
| d) Transfer to Investment Allowance Reserve for earlier years | 13.76 | --- |
| e) Balance carried to Balance Sheet | 216.27 | 179.66 |

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Your Directors have pleasure in recommending for the year ending 31st March 1997, the payment of dividend of Rs. 2.50 per share on prorata basis, subject to the approval by members at the Annual General Meeting.

3) OPERATIONS

Your Company has achieved operating profit of Rs. 834.59 lacs, during the current year against Rs. 651.52 of the previous year, thus showing an increase of 28%. The Sales and other income for the financial year under review, were Rs.4,932.74 lacs as against Rs. 3,851.58 lacs for the previous financial year registering an increase of 28 %.

The profit after tax was slightly lower at Rs. 185.62 lacs as against Rs. 191.31 lacs. This was due to higher burden of interest and depreciation on account of expansion which was carried out last year.

The production during the first two months of 1997-98 as compared to the same period in 1996-97 has been;

| | 1997-98 (APRIL-MAY) | 1996-97 (APRIL-MAY) |
|--------------------|--------------------------------|--------------------------------|
| CLUTCH DISC | 92,135 nos. | 85,089 nos. |
| CLUTCH COVER ASSLY | 54,424 nos. | 60,316 nos. |
| TURNOVER | Rs. 776.87 lacs | Rs. 721.92 lacs |

During the current year, the Company plans to introduce further several new models of Clutches for the domestic and export markets.

**4) PROJECTIONS VS. PERFORMANCE
FOR THE YEAR 1996-97**

| | Rs. in Lacs | |
|---|--|---|
| | Projection as per letter of offer dtd. 14.12.95 | Performance for the year 1996-97 |
| Net Sales & other Income (Net of Excise & Sales tax) | 3,823.00 | 4,143.43 |
| Profit before Interest, Depreciation & Taxation | 683.00 | 834.59 |
| Net Profit after Tax | 203.00 | 185.62 |
| Earnings per share | 5.97 | * 5.41 |
| * (On enhanced equity) | | |

5) SALES

The Sale of products during the year was as follows:

- A) Cluth Discs 5,72,120 (previous year 4,50,255 Nos.)
- B) Clutch Cover Asslys 3,84,696 (previous year 3,41,967 Nos.)
- C) Other accessories Rs. 184.95 lacs (Previous year Rs. 135.67 lacs)

6) EXPORTS

During the year exports have been higher at Rs.289.33 lacs (Previous year Rs. 200.70 lacs.) By sustained efforts your Company has now established its product in several countries. Substantial order have already been received from Exedy's associate company in USA on a continuous basis and the same are being executed during the current year. This will improve export realisation and performance.

7) COLLABORATORS

Your Collaborators have continued their valuable support in technology transfer, training our personnel at their as well as your factory and for upgradation in technology. The Directors would like to place on record their appreciation for continuous patronage given by them.

8) JOINT VENTURE

Exedy Ceekay Limited, a Joint Venture in which your Company will hold 49% capital has now been incorporated and Certificate of Commencement of Business has been received. The new company has applied for 5 acres land in Greater Noida and has received in principle allotment letter for the same. The construction is expected to start by September 1997.

9) ISO-9002 CERTIFICATION

Yours company has been working towards obtaining ISO-9002 certification. Considerable

CEEKAY DAIKIN LIMITED

work has been done and it is expected that during the current financial year all the formalities will be completed.

10) BANKS AND INSTITUTIONS

The Banks have continued their assistance by giving additional working capital facilities to the Company which has been of immense help in the day to day cash flow. The term lending institutions through their nominee director, have been giving their fullest support. The Directors would like to place on record their appreciation for continuous support given by them.

11) DIRECTORS

Mr. Pravinchandra V. Gandhi & Dr. Ram S. Tarneja retire by rotation at this Annual General Meeting and being eligible offer themselves for reappointment.

12) PERSONNEL

Industrial relations in the establishment at Aurangabad have continued to be cordial. Your Directors would like to place on record their appreciation for the contribution made by the employees at all levels for the continued growth of the Company.

13) PARTICULARS OF EMPLOYEES

Information in accordance with Section 217 (2A) (b) (ii) of Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, is annexed hereto, and form part of this Report.

14) AUDITORS

The Company's Auditors, Messrs. D. L. Shah & Company, Chartered Accountants, retire and being eligible, offer themselves for reappointment as auditors. Specific notes forming part of the accounts referred to in the Auditors' Report are self-explanatory and give the complete information.

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For and on behalf of the Board of Directors

HARISH MAHINDRA
CHAIRMAN

Mumbai, 30th June, 1997