



MD	✓	BKC	✓
CS	✓	DPY	WA
RO	✓	DIV	✓
TRA	✓	AC	✓
AGM	✓	SHI	✓
YE	✓		✓

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**CEEKAY
DAIKIN
LIMITED**



CEEKAY DAIKIN LIMITED

ceekay

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 ICICI BANKING CORPORATION 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 Fourth Annual General Meeting of the members of CEEKAY DAIKIN LIMITED will be held on Monday, 28th September, 1998 at 11.30 a. m. 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 Director's Report, Auditor's Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1998.
2. To consider declaration of dividend.
3. To Appoint a Director in place of Mr. Homi C. H. Bhabha who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Shreekant V. Mehta, 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 here by 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 of 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 consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the Provisions of Section 31 of the Companies Act, 1956 (Including any statutory modification or re-enactment there of the time being in force), the Articles of Association of the Company be and are hereby altered as follows :

By Addition of new Article 66 (A) After Article 66 as Under :

BUY BACK OF SHARES

66 (A) Notwithstanding anything contained in the preceding Article 66 but subject to the provisions of the Act and all other provisions of law, as may be in force at any time and from time to time, the Company may acquire, purchase, hold, resell any of its own fully paid shares and make payment out of funds at its disposal for and in respect of such acquisition/purchase on such terms and conditions and at such times as the Board may in its discretion decide and deem fit."

7. To consider and if thought fit, to pass with or without modifications (s), the following resolution as a Special Resolution :

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (Including any statutory modification or re-enactment there of for time being in force and as any be enacted from time to time), and subject to such other approvals, permissions and sanctions, as may be

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agreed to or accepted by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board to acquire/ purchase any of its fully paid shares on such terms and conditions and upto such limits as may be prescribed by law from time to time, subject to such acquisition / purchase of fully paid Equity Shares of the Company not being construed as reduction of Equity Share Capital of the Company within the purview of sections 100 to 104 of the Companies Act, 1956 and thereby attracting the provisions of Section 77 and/ or Section 402 of the Companies Act, 1956, or any statutory modification thereof, and that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or proper to implement this resolution."

8. RESOLVED THAT the Company do hereby accord its consent under section 293 (1) (a) of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertaking or the undertaking of the Company for securing any loan obtained or as may be obtained from any financial institution or Bankers or persons together with interest, costs, charges, expenses and any other money payable by 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, Dated : 19th August, 1998.

CEEKAY DAIKIN LIMITED**NOTES :**

1. A STATEMENT OF MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS UNDER ITEM NOS. 6, 7, & 8 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 14th September, 1998 to 28th September, 1998 (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 1998 and Balance Sheet as on that date are annexed.
6. Shareholders are requested to inform the Company 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 28th september, 1998.
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 1993-94 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 the Registrar of Companies, Maharashtra, Fancy Corporation Building, Hakoba Compound, Kala Chowki, Mumbai - 400 033. The unclaimed dividend in respect of the year 1994-95 will be due for transfer to Central Government on 3 rd November, 1998.

Dividend No.	Date of Declaration	Financial year	Due for transfer On
8th	16.09.95	1994-95	03.11.1998
9th	18.09.96	1995-96	05.11.1999
10th	23.08.97	1996.97	10.11.2000

24TH ANNUAL REPORT 1997-98**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 sets out all material facts relating to item No. 6, 7, & 8.

ITEM No. 6

At Present, buy-back of own shares by the Company is not allowed under the Companies Act, 1956. However, in anticipation of amendment to the Companies Act, 1956, it is proposed to add a new Article 66(A) in the Articles of Association of the Company. As per the provisions of Section 31 of the Companies Act, 1956, a Company may by Special Resolution alter its Articles of Association.

The Board is of the opinion that the resolution is an enabling provision aimed at facilitating the Company to buy back its share as soon as legally permissible. Hence they recommended the resolution for approval of the shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

ITEM No. 7.

Section 77 of the Companies Act, 1956 presently restricts the purchase of its own shares by a Company unless the same is done with a view to reduce its capital pursuant to the provisions of Section 100-104 and of Section 402 of the Companies Act, 1956.

In due course of time, the law is expected to be amended to regulate and allow share buy back/securities by companies.

Empowerment to buy back its own shares would give the companies the required flexibility for shareholder value management and reducing cost of capital, essential in the current rapidly competitive economic scenario. Hence, the directors feel it would be desirable to have an enabling power from the shareholders for the purpose.

The Board therefore recommends resolution for your approval.

None of the Directors is Concerned or interested in this resolution.

ITEM NO. 8

As a security for the loans to be sanctioned by financial institutions / bankers with whom the Company is negotiating for financial assistance for its project in form of term loans, working capital, the Company would be required to give first /second mortgage of all the movable and immovable properties of the Company present and future.

Section 293 (1) (a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the financial institutions / banker can be considered to be disposal of the Company's properties, it is necessary for the members to pass a resolution under section 293 (1) (a) of the Companies Act, 1956 before creations of the said mortgage first and / or second charge.

By Order of the Board of Directors

D. N. TANNA
COMPANY SECRETARY

Mumbai, Dated : 19th August, 1998

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

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1998.

1) FINANCIAL RESULTS:

	1997-98	1996-97
	Rs. in Lacs	Rs. in Lacs

i) INCOME		
Sale of products & other services	4,958.18	4,932.74
ii) EXPENSES		
Manufacturing and other expenses	(4,158.93)	(4,098.15)
iii) OPERATING PROFIT (before interest & depreciation)	799.25	834.59
iv) INTEREST	(400.54)	(400.72)
v) GROSS PROFIT (before depreciation)	398.71	433.87
vi) DEPRECIATION	(232.03)	(220.25)
vii) PROFIT (after depreciation)	166.68	213.62
viii) PROVISION FOR TAXES	(20.00)	(28.00)
ix) PROFIT AFTER TAX	146.68	185.62
x) Balance of profit brought forward from previous year	216.27	179.66
xi) Income Tax in respect of earlier year	20.69	----
xii) Amount available for appropriations	342.26	365.28
xiii) APPROPRIATIONS :		
a) Proposed Dividend	52.32	81.87
b) Tax on Proposed Dividend	5.23	8.19
c) Transfer to General Reserve	10.00	25.50
d) Transfer to Debenture Redemption Reserve	19.69	19.69
e) Transfer to Investment Allowance Reserve for earlier years	----	13.76
f) Balance carried to Balance Sheet	255.02	216.27

24TH ANNUAL REPORT 1997-98**ceekay****2) DIVIDEND**

Your Directors have pleasure in recommending for the year ending 31st March, 1998 the payment of Dividend of Rs. 1.50 per share, subject to the approval by members at the Annual General Meeting.

3) OPERATIONS

Your Company has achieved operating profit of Rs. 799.25 lacs, during the current year against Rs. 834.59 of the previous year, which has shown decrease of 5% the sales and other income for the financial year registering change 0.5%.

The profit after tax was lower at Rs. 146.68 lacs as against Rs. 185.62 lacs. This was due to the adverse market faced by the automotive industry during the year. However, during the year under review, the Company did manufacture more quantities of Clutch Disc Assy and Cover Assy. The increase in sales quantity were 9.5% and 8.3% respectively. The lower turnover was due to change in products mix.

The production from April to July 1998-99 as compared to the same period in 1997-98 has been

	1998-99 (APRIL-JULY)	1997-98 (APRIL-JULY)
CLUTCH DISC ASSY	2,12,511 Nos.	2,05,430 Nos.
CLUTCH COVER ASSY	1,51,839 Nos.	1,21,809 Nos.
TURNOVER	Rs. 1590.60 lacs	Rs. 1640.94 lacs

During the current year, the company plans to introduce several new models of clutches.

4) SALES

The Sale of products during the year was as Follows :

- A) Clutch Discs Assy 6,27,965 (Previous year 5,72,120 Nos.)
- B) Clutch Cover Assy 4,08,955 (Previous year 3,84,696 Nos.)
- C) Other Accessories Rs. 80.39 lacs (Previous year Rs. 184.95 lacs)

5) EXPORTS

During the year exports have been lower at Rs. 216.53 lacs (Previous year Rs. 289.33 lacs).

The reduction in exports is mainly due to South East Asian financial crisis. Company is receiving continuous order from existing customers but the with lower frequency.

6) 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.

7) 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 acquired 5 acres land in Greater Noida. The construction work has commenced. The necessary orders for equipment are being placed.

8) ISO-9002 CERTIFICATION

Your Company has been awarded the ISO-9002 Certification by M/s. BVQI on 18.12.97 and has embarked with greater enthusiasm on achieving the QS-9000 Certification.

9) 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 Institution through their nominee director, has been giving their fullest support. The Directors would like to place on record their appreciation for continuous support given by them.

10) DIRECTORS

Mr. Homi C. H. Bhabha & Mr. Shreekant V. Mehta retire by rotation at this Annual General Meeting and being eligible offer themselves for reappointment.

11) PERSONNEL

Industrial relations in the establishment at Aurangabad have continued to be cordial. Your

CEEKAY DAIKIN LIMITED

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.

12) 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.

13) 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.

For and on behalf of the Board of Directors

HARISH MAHINDRA
CHAIRMAN

Mumbai, Dated : 19th August, 1998

