

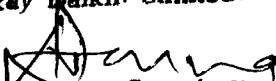
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Report



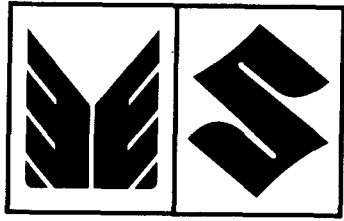
junction.com

CeeKay Daikin Limited.


Company Secretary



**CEEKAY
DAIKIN
LIMITED**



MARUTI UDYOG LIMITED

awards this trophy of excellence
to

M/s. CEEKAY DAIKIN LIMITED

in recognition of an outstanding
performance in the field of Quality
during 2002-03

JAGDISH KHATTAR
Managing Director

The Company was honoured with this
recognition at the vendor conference
on 25th September, 2003

CEEKAY DAIKIN LIMITED**ceekay****DIRECTORS**

| | |
|---------------------------------------|------------------------------|
| PRAVINCHANDRA V. GANDHI | CHAIRMAN (upto 24.04.03) |
| HOMI C. H. BHABHA | |
| SHREEKANT V. MEHTA | |
| BHARAT H. PATEL (w.e.f. 10.03.2003) | |
| HIDEHITO HISAKAWA | |
| N. P. SUBRAMANIAN | NOMINEE OF ICICI BANK LTD. |
| MAHESH B. KOTHARI (w.e.f. 24.04.2003) | CHAIRMAN & MANAGING DIRECTOR |
| PRADEEP B. CHINAI | MANAGING DIRECTOR |
| AKIRA HIRAI | MANAGING DIRECTOR |

COMPANY SECRETARY

DEEPAK N. TANNA

DEPUTY COMPANY SECRETARY

NARESH AGARWAL

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

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.

MANUFACTURING FACILITIES

UNIT 1 : PLOT NO. L - 4, M. I. D. C. INDUSTRIAL AREA,
 CHIKALTHANA, AURANGABAD - 431 210, MAHARASHTRA.
UNIT 2 : PLOT NO.9, UDYOG KENDRA INDUSTRIAL AREA,
 GREATER NOIDA - 201304 (U.P.)

REGISTRAR & TRANSFER AGENTS

INTIME SPECTRUM REGISTRY PVT. LTD.
 C-13, PANNALAL SILK MILLS COMPOUND, L.B.S. MARG,
 BHANDUP (WEST), MUMBAI - 400 078.

CEEKAY DAIKIN LIMITED

CONTENTS

| | |
|--|----|
| Notice | 3 |
| Directors' Report | 6 |
| Auditors' Report | 18 |
| Balance Sheet | 22 |
| Profit & Loss Account | 23 |
| Schedules forming part of the Balance Sheet & Profit and Loss Account | 24 |
| Cash Flow Statement | 33 |
| Notes to Accounts | 37 |
| Balance Sheet Abstract and General Business Profile | 44 |

TH ANNUAL REPORT 2002-2003**ceekay****NOTICE**

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of CEEKAY DAIKIN LIMITED will be held on Monday, 10th November, 2003 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 Directors' Report, Auditor's Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2003.
2. To appoint a Director in place of Mr. Homi C. H. Bhabha who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Shreekant V. Mehta who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), 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 to examine and audit the accounts of the Company at the various locations of the Company at periodical intervals by mutual arrangement, on such remunerations as may be mutually agreed upon between the Board of Directors and the auditors, plus reimbursement of out-of-pocket expenses incurred by them in the course of the audit".

"RESOLVED FURTHER THAT the power to determine the remuneration to the Auditors be and is hereby delegated to the Board of Directors."

SPECIAL BUSINESS**ITEM NO. 5**

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

"RESOLVED THAT Mr. Bharat H. Patel, who was appointed as an Additional Director of the Company on March 10, 2003 pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company subject to retirement by rotation under the Articles of Association of 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, 29th September, 2003

CEEKAY DAIKIN LIMITED

NOTES :

1. 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.
2. 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.
3. Register of Members and Share Transfer Books of the Company will remain closed from 06.11.2003 to 10.11.2003 (both days inclusive).
4. A Copy each of the Directors' Report, Auditors Report and Audited Profit & Loss Account of the Company for the financial year ended 31st, March 2003 and Balance Sheet as on that date are annexed.
5. Shareholders are requested to inform the Company immediately of any change in their address.
6. 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.
7. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed Dividends upto the financial year ended 31st March, 1995 have been transferred to the Investor Education and Protection Fund.
8. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by The Companies (Amendment) Ordinance, 1999, now the amount of dividend remaining unclaimed for the period of seven years shall be transferred to the Investor Education and Protection Fund.

Members who have not encashed their dividend warrants, for the year 1995-96, 1996-97, 1997-98 and 1998-99 may approach the Company's Registrar & Transfer Agents, Messrs Intime Spectrum Registry Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.

29TH ANNUAL REPORT 2002-2003

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. 5.

ITEM No. 5.

The Board appointed Mr. Bharat H. Patel as a Director on March 10, 2003. Under Section 260 of the Companies Act, 1956, Mr Patel will hold office only up to the date of the Twenty Ninth Annual General Meeting. A Notice has been received under Section 257 of the Act from a member proposing Mr. Patel's candidature for the office of

Director of the Company. Mr. Patel is an industrialist having vast experience in this field and will be an asset to the Company. The Board considers that the Company would be benefited by his experience / guidance and advice to the Company from time to time.

The Board recommends the resolution for approval of the Members.

None of the Directors of the Company except Mr. Bharat H. Patel is concerned or interested in the resolution set out in item No.5.

By Order of the Board of Directors

Mumbai, 29th September, 2003

D. N. TANNA
COMPANY SECRETARY



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

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2003.

1) FINANCIAL RESULTS:

| | 2002-03 Rs. in Lacs | 2001-2002 Rs. in Lacs |
|--|--------------------------------------|--|
| i) INCOME | | |
| Sale of products & other services | 7,383.93 | 7,053.30 |
| ii) EXPENSES | | |
| Manufacturing and other expenses | (6,493.53) | (6,232.81) |
| iii) OPERATING PROFIT (before interest & depreciation) | 890.40 | 820.49 |
| iv) INTEREST | (493.90) | (540.86) |
| v) GROSS PROFIT (before depreciation) | 396.50 | 279.63 |
| vi) DEPRECIATION | (389.32) | (378.57) |
| vii) PROFIT (after depreciation) | 7.18 | (98.94) |
| viii) PROVISION FOR DEFERRED TAX | - | (19.10) |
| ix) PROVISION FOR CURRENT TAX | 0.60 | -- |
| x) PROFIT AFTER TAX | 6.58 | (118.04) |
| xi) Balance of profit / (loss) brought forward from previous year | (676.20) | (536.44) |
| xii) Add : Transfer from Investment allowance reserve | -- | 13.76 |
| xiii) Add : Transfer from Debenture Redemption Reserve | 157.50 | -- |
| xiv) Less : Income Tax in respect of earlier years | -- | (35.48) |
| xv) Less : Adjusted against share premium | 676.20 | -- |
| xvi) Amount available for appropriations | 164.08 | (676.20) |
| xvii) APPROPRIATIONS | | |
| a) Transfer to General Reserve | 157.50 | -- |
| b) Balance carried to Balance Sheet | 6.58 | (676.20) |

TH ANNUAL REPORT 2002-2003

ceekay

2) DIVIDEND

The revenue account of your Company for the year has shown profit of Rs. 6.58 after providing for interest, depreciation and tax liability. No dividend recommended in view of marginal profit.

3) OPERATIONS

Your Company's performance was better than previous years due to all around change in automotive industry. However, it was curtailed due to the following :

- a) The escalation of steel prices.
- b) High interest costs paid on working capital limits and long term debts.

Your Company was able to achieve operating profit of Rs. 890.40 lacs during the current year as against Rs. 820.49 lacs of the previous year. The Sales and other income for the financial year under review were Rs. 7383.93 lacs as against Rs. 7053.30 lacs for the previous financial year.

The profit after provision for taxation was at Rs. 6.58 lacs as against loss of Rs. 118.04 lacs.

The production from April to August 2003-2004 as compared to the same period in 2002-2003 has been :

| | 2003-04 (APRIL-AUG.) | 2002-03 (APRIL-AUG.) |
|--------------------|-------------------------|-------------------------|
| CLUTCH DISC ASSLY | 2,68,991 Nos. | 2,51,793 Nos. |
| CLUTCH COVER ASSLY | 2,31,207 Nos. | 2,11,140 Nos. |
| TURNOVER | Rs. 2,981.55 lacs | Rs. 2,945.24 lacs |

4) SALES

The Sale of products during the year was as follows:

- A) Clutch Discs Assly. 6,51,335 Nos. (previous year 6,25,130 Nos.)
- B) Clutch Cover Assly. 5,68,170 Nos. (previous year 5,01,530 Nos.)
- C) Other Accessories Rs. 1346.12 lacs (previous year Rs. 1451.55 lacs)

5) RESTRUCTURING

The process to make your Company healthier financially has been initiated. Pursuant to the approval of the members at the Extraordinary General Meeting held on 16th April. 2003 and

confirmation of the Bombay High Court on 18th August, 2003, the Company has set-off an amount of Rs. 722.07 lacs (i.e. Rs. 676.20 lacs from the debit balance in the profit and loss account and Rs. 45.87 lacs out of miscellaneous expenses (to the extent not written off or adjusted) as against the actual expenses of Rs. 98.57 lacs as on 31st March 2002) against the balance in share premium account as on 31st March 2002. This has been given effect in the accounts for the year ended 31st March, 2003 and would enable the Company to reflect more appropriately its future operational performance and efficiency and enhance shareholder value through increase in earning per share and return on capital employed. Further efforts in this direction on continuous basis will be made in the years to come.

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) BANKS AND INSTITUTIONS

The Banks have continued their assistance by giving adequate 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. Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from both the members of the Consortium Banks as well as the term lending Institution.

8) DIRECTORS

Mr. Pravinchandra V. Gandhi a Founder Director of your Company who was also the Chairman has resigned effective 24.04.2003 due to his ill health and advanced age. Mr. Gandhi has been a guiding force in all the Company's endeavours. His resignation from the Board will be a big loss to the Company. Your Directors place on record their deep appreciation for the valuable service rendered by Mr. Gandhi from time to time during his tenure of

CEEKAY DAIKIN LIMITED

Directorship as well as Chairmanship.

In his place Mr. Mahesh B. Kothari has been given additional responsibilities as the Chairman.

Mr. Bharat H. Patel was appointed additional Director of your Company at the Meeting held on 10.03.2003 and holds office up to the date of this Annual General Meeting. He was appointed as an additional Director and being eligible is proposed to be re-appointed Director of your Company subject to retirement by rotation under the Articles of Association of the Company.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 274 of the Companies Act, 1956 as amended by the Companies (Amendment) Act 2000.

9) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm that they have.

- i) followed the applicable accounting standards in the preparation of the annual accounts.
- ii) selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the year under review;
- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and detecting fraud and other irregularities;
- iv) prepared the accounts for financial year on a 'going concern' basis.

10) PERSONNEL

Industrial relations in the establishments at Aurangabad and Greater Noida 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.

11) INSURANCE

All the properties including buildings, plant and machinery, stock etc. have been adequately insured.

12) PARTICULARS OF EMPLOYEES

There are no such employees, whose particulars are required to be furnished u/s 217 (2A) of Companies Act, 1956.

13) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT-GO

The required details are furnished in Annexure to 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.

15) DEMATERILISATION OF SHARES

Your Company entered into an agreement with National Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), Mumbai for dematerializing of the equity shares of the Company. The members now have an option of dematerializing the shares with NSDL and CDSL. 55.47% of the total Equity capital is held in a dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd.