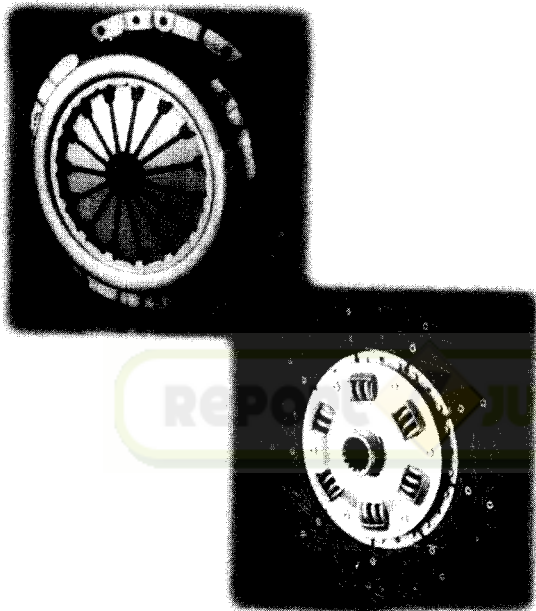
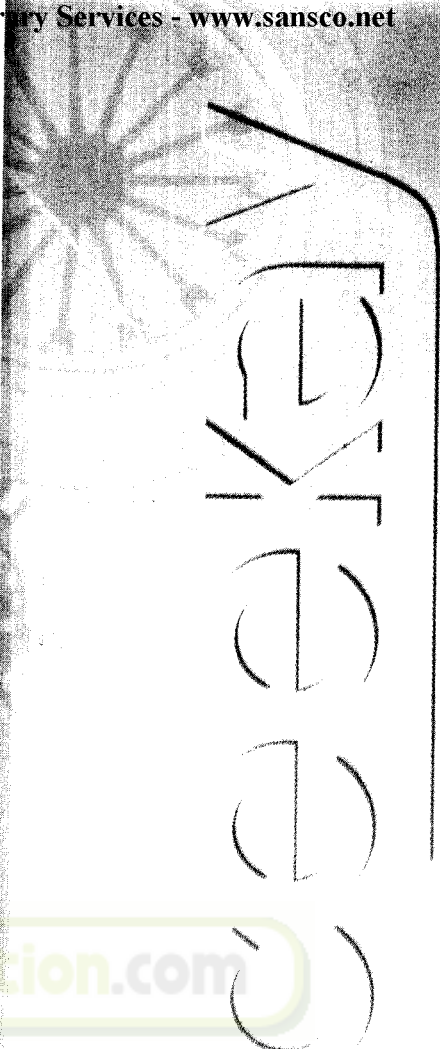


# ceekay CLUTCH



ANNUAL REPORT  
2003 - 2004



# CEEKAY DAIKIN LIMITED

**CEEKAY DAIKIN LIMITED**



**DIRECTORS**

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|                    |                              |
|--------------------|------------------------------|
| MAHESH B. KOTHARI  | CHAIRMAN & MANAGING DIRECTOR |
| HOMI C. H. BHABHA  |                              |
| SHREEKANT V. MEHTA |                              |
| BHARAT H. PATEL    |                              |
| HIDEHITO HISAKAWA  |                              |
| N. P. SUBRAMANIAN  | NOMINEE OF ICICI BANK LTD.   |
| PRADEEP B. CHINAI  | MANAGING DIRECTOR            |
| AKIRA HIRAI        | MANAGING DIRECTOR            |

**COMPANY SECRETARY**

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DEEPAK N. TANNA

**DEPUTY COMPANY SECRETARY**

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NARESH AGARWAL

**BANKERS**

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

**AUDITORS**

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

**REGISTERED OFFICE**

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

**HEAD OFFICE**

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

**MANUFACTURING FACILITIES**

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**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**

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

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## 30TH ANNUAL REPORT 2003-2004

### NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of CEEKAY DAIKIN LIMITED will be held on Wednesday, 15th September, 2004 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, 2004.
2. To appoint a Director in place of Mr. Bharat H. Patel who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Hidehito Hisakawa 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 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

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

"RESOLVED that the accounts for the year ending 31st March, 2005, of the Company's branch at Greater Noida be audited otherwise than by the Company's Auditors and that for the audit of the accounts of that branch, the Company hereby authorizes its Board of Directors to appoint M/s. Ajay Sethi & Associates, of New Delhi, in consultation with the Company's Auditors, under Section 226 of the Companies Act, 1956, and to fix the terms and conditions of appointment and remuneration of such branch auditor(s).

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

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

"RESOLVED THAT pursuant to Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956 as well as Article 121 of the Articles of Association of the Company and subject to the approval of the Central Government, if required, the Company be and is hereby authorized to pay to its Directors (other than a Managing Director and Whole time Director of the Company) such commission as the Board of Directors may from time to time determine, (to

## **CEEKAY DAIKIN LIMITED**

be divided amongst them in such proportion as may be determined equally), but so that such commission shall not exceed 1% of the net profits of the Company in any financial year, as computed in accordance with section 198 of the Companies Act, 1956 for a period of five years commencing from the financial year 2004-05."

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, 26th July, 2004



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### 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 10.09.2004 to 15.09.2004 (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 2004 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, 1996 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 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.

## **CEEKAY DAIKIN LIMITED**

### **ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 (2) OF THE COMPANIES ACT, 1956**

#### **ITEM No. 5.**

The resolution is proposed in order to comply with the provisions of Section 228(3) of the Companies Act, 1956. This section makes it obligatory for the Company to have all its branches audited by its statutory auditors, unless the Company in general meeting decides to have any branch audited by persons qualified to be appointed as auditors of the Company under Section 226 of the said Act. The Company has a branch, inter alia, at Greater Noida and it being considered desirable, it is proposed, in accordance with the provisions of the said Section, to authorise the Board of Directors to appoint, in consultation with the Company's Auditors, M/s. Ajay Sethi & Associates for appointment as branch auditor under Section 226 of the Companies Act, 1956 to audit the accounts of the Greater Noida branch of the Company on such remuneration and upon such terms and conditions as the Board of Directors may deem fit.

#### **ITEM No. 6.**

The Non-Executive/Independent Directors of your Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, technology, corporate strategy, information systems and finance. The Board is of the opinion that it is necessary that adequate compensation should be given to the Non-Executive/Independent Directors so as to compensate them for their time and efforts and also to retain and attract the pool of talent for the growth and prosperity of the Company. Article 121 of the Articles of Association

of the Company provides for payment of commission to the non-whole-time Directors. Section 309 of the Companies Act, 1956 also permits the payment of remuneration to the non-whole-time Directors of a Company, by way of Commission not exceeding one percent p.a. of the net profits of the Company, if the Company authorizes such payment by a special resolution.

Keeping in view the present practice prevalent in the Corporate Sector and the stature and eminence of the directors on the Board of the Company, it is now proposed to pay and distribute amongst all the non-whole time Directors commission on profits not exceeding 1% of the net profits of the Company in any financial year, for a period of five years commencing from the year 2004-05, calculated in accordance with the provisions of the Act, in accordance with the directions of the Board.

The payment is subject to the approval of members by way of Special Resolution.

The Non-Executive/Independent Directors, Mr. Homi C.H. Bhabha, Mr. Shreekant V. Mehta, Mr. Bharat H. Patel, Mr. N. P. Subramanian and Mr. Hidehito Hisakawa are concerned or interested in the resolution to the extent of the payment that they may receive by way of commission on profits.

No other Director of the Company is in any way concerned or interested in the resolution.

The Board of Directors recommends the passing of the resolution as set out at Item No.6 of the Notice.

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, 26th July, 2004



## 30TH ANNUAL REPORT 2003-2004

### DIRECTORS' REPORT

TO

### THE MEMBERS

Your Directors have pleasure in presenting the Thirtieth Annual Report together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2004.

| 1) FINANCIAL RESULTS:   | 2003-04<br>Rs. in Lacs | 2002-2003<br>Rs. in Lacs |
|---|------------------------|--------------------------|
| i) INCOME   |                        |                          |
| Sale of products & other services                                     | 6,967.25               | 6,407.90                 |
| ii) EXPENSES  |                        |                          |
| Manufacturing and other expenses                                      | (6,101.81)             | (5,517.50)               |
| iii) OPERATING PROFIT<br>(before interest & depreciation)             | 865.44                 | 890.40                   |
| iv) INTEREST  | (435.89)               | (493.90)                 |
| v) GROSS PROFIT (before depreciation)                                 | 429.55                 | 396.50                   |
| vi) DEPRECIATION  | (348.26)               | (389.32)                 |
| vii) PROFIT (after depreciation)                                      | 81.29                  | 7.18                     |
| viii) PROVISION FOR DEFERRED TAX                                      | (17.43)                | --                       |
| ix) PROVISION FOR CURRENT TAX   | (6.25)                 | (0.60)                   |
| x) TRANSFER FROM GENERAL RESERVES                                     | 17.43                  | --                       |
| xi) PROFIT AFTER TAX  | 75.04                  | 6.58                     |
| xii) Balance of profit / (loss) brought forward<br>from previous year | 6.58                   | (676.20)                 |
| xiii) Transfer from Debenture Redemption Reserve                      | --                     | 157.50                   |
| xiv) Adjusted against share premium                                   | --                     | 676.20                   |
| xv) Amount available for appropriations                               | 81.62                  | 164.08                   |
| xvi) APPROPRIATIONS   |                        |                          |
| a) Transfer to General Reserve  | --                     | 157.50                   |
| b) Balance carried to Balance Sheet                                   | 81.62                  | 6.58                     |

### 2) DIVIDEND

The revenue account of your Company for the year has shown profit of Rs. 75.04 lacs after providing for interest, depreciation income tax and deferred tax liability. No dividend is recommended and profits are ploughed back in the business.



## CEEKAY DAIKIN LIMITED

### 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. 865.44 lacs during the current year as against Rs. 890.40 lacs of the previous year. The Sales and other income for the financial year under review were Rs. 6967.25 lacs as against Rs. 6407.90 lacs for the previous financial year.

The profit after provision for taxation was at Rs. 75.04 lacs as against profit of Rs. 6.58 lacs in previous year.

The production from April to June 2004-2005 as compared to the same period in 2003-2004 has been :

|                    | 2004-05<br>(APRIL-JUNE) | 2003-04<br>(APRIL-JUNE) |
|--------------------|-------------------------|-------------------------|
| CLUTCH DISC ASSLY  | 1,91,335 Nos.           | 1,82,337 Nos.           |
| CLUTCH COVER ASSLY | 1,70,342 Nos.           | 1,38,775 Nos.           |
| TURNOVER           | Rs. 1847.83 lacs        | Rs. 1560.35 lacs        |

The current year has shown a promising start and our production and turnover have increased compared to the same period of last year. As you are aware that all the leading vehicle manufacturers are our customers. Further in the current year, our supplies to General Motors India has commenced.

### 4) SALES

The Sale of products during the year was as follows:

- A) Clutch Discs 6,86,140 Nos. (previous year 6,51,335 Nos.)
- B) Clutch Cover Assly. 6,02,450 Nos. (previous year 5,68,170 Nos.)
- C) Kits & Components Rs. 1606.51 lacs (previous year Rs. 1346.12 lacs)

### 5) 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.

### 6) 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.

### 7) DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are 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) they have 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 for preventing and detecting fraud and other irregularities; and
- iv) they have prepared the annual accounts on a 'going concern' basis.

### 8) 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 deep sense of appreciation to all

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employees, who continue to display outstanding professionalism and commitment, enabling the Company to meet its business operations and continued growth successfully.

**9) INSURANCE**

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

**10) PARTICULARS OF EMPLOYEES**

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

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

The required details are furnished in Annexure to this report.

**12) 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.

**13) DEMATERILISATION OF SHARES**

Your Company entered into an agreement with National Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), Mumbai for dematerialization of the equity shares of the Company. The members now have an option of dematerializing the shares with NSDL and CDSL. 59.96% of the total Equity capital is held in a dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd.