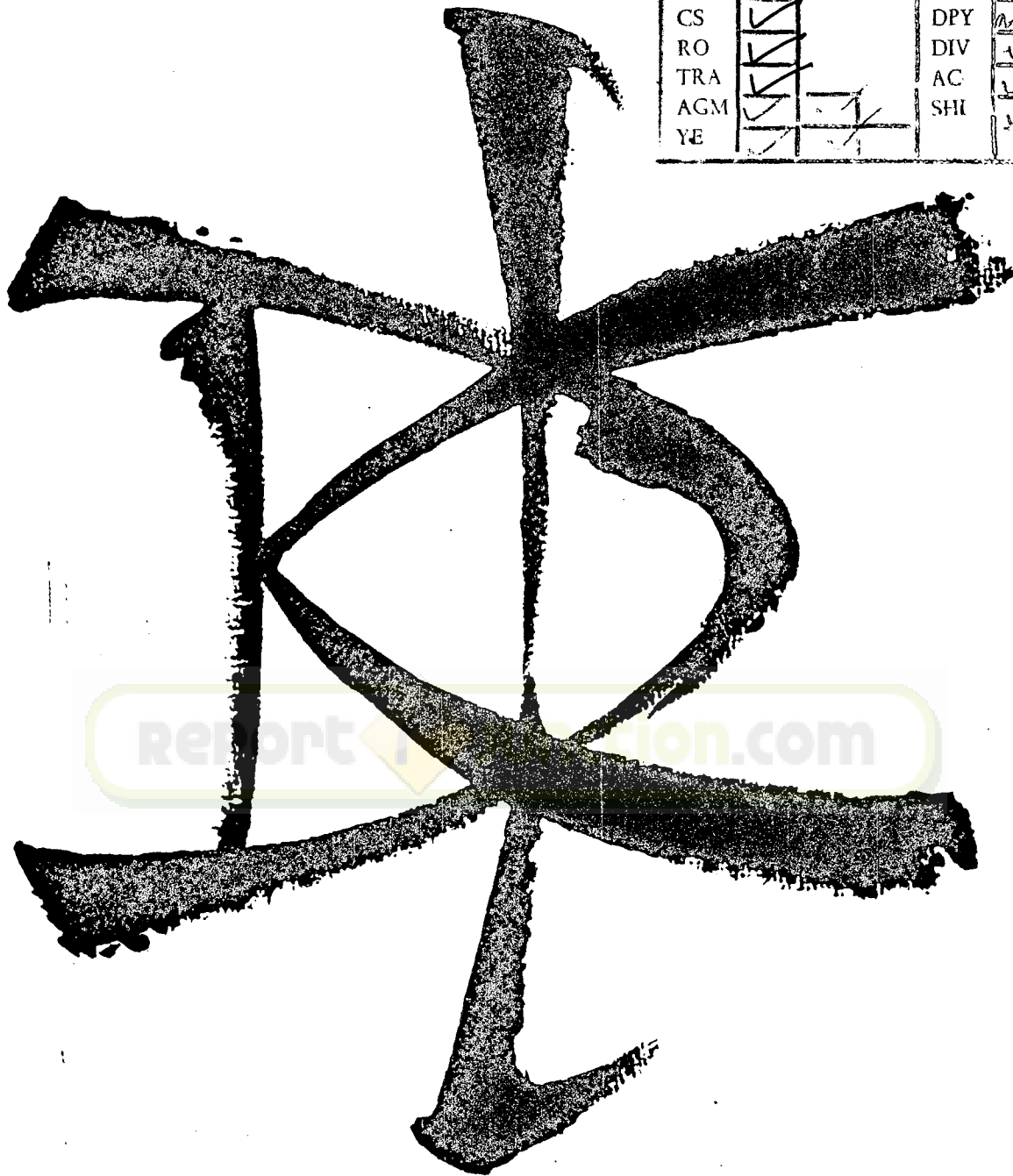


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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



DAI-KHI

ANNUAL REPORT

1997 — 1998



DAI-ICHI KARKARIA LIMITED

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Board of Directors :

Mr. D. M. Neterwala *Chairman*
 Mr. Takahiko I. Miura
 Dr. K. H. Gharda
 Dr. E. H. Daruwalla
 Dr. H. E. Eduljee
 Mr. J. H. C. Jehangir
 Mr. A. H. Jehangir
 Dr. K. R. Bharucha
 Mr. M. P. Bharucha (*Alternate to Dr. K. R. Bharucha*)
 Prof. Karl Sune Detlof Bergstrom
 Mrs. S. F. Vakil *Managing Director*

Bankers :

Bank of India
 The Shamrao Vithal Co-operative Bank Ltd.
 The Saraswat Co-operative Bank Ltd.

Auditors :

P. C. Hansotia & Co.,
 Chartered Accountants, Mumbai.

Solicitors :

Mulla & Mulla & Craigie Blunt & Caroe
 Mumbai.
 Amarchand & Mangaldas &
 Suresh A Shroff & Co., Mumbai.

Registered Office :

Liberty Building
 Sir Vithaldas Thackersey Marg,
 Mumbai-400 020.

Works :

105th Milestone, Mumbai-Pune Marg,
 P.O. Kasarwadi, Pune-411 034.
 Kurkumbh Industrial Area, Plot No. D-13,
 Village Kurkumbh, Tal. Daund, Dist. Pune.
 Plot No. 28-A, Opp. Laxmi Starch Ltd.,
 Industrial Development Area
 Nacharam, Hyderabad-501 507.

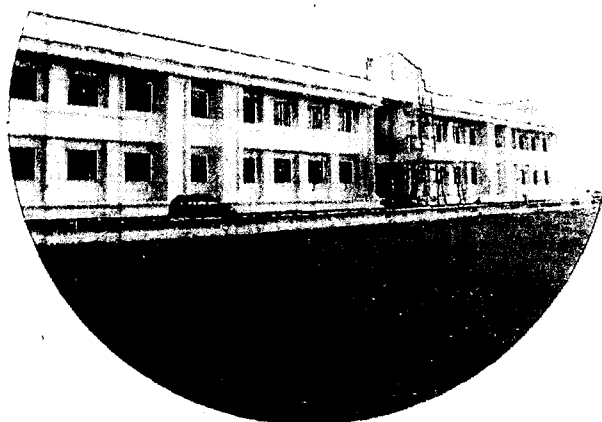
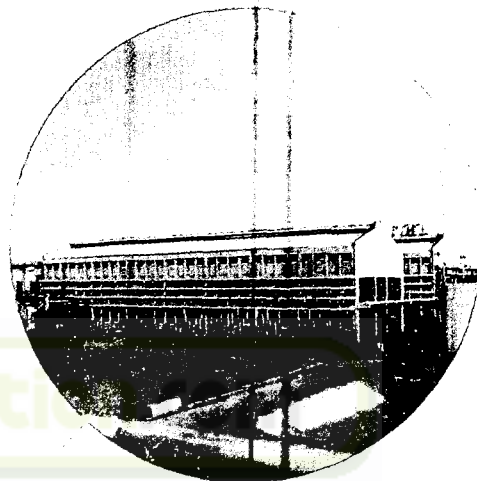
Registrars And Transfer Agents :

Computrade Services Pvt. Ltd.
 Wakefield House, 111 Sprott Road,
 Ballard Estate, Mumbai-400 038.
 Tel.: 2626341/42

DAI-ICHI LABORATORIES**GROWING FROM A
HISTORY OF ACHIEVEMENT**

Dai-Ichi Laboratories (DIL) is a division of Dai-Ichi Karkaria (DIK), part of the Neterwala Group, and widely acknowledged as one of India's leading names in surfactants and speciality chemicals serving a wide spectrum of industries.

Over the last three decades, DIK has embarked on various pioneering projects, building on its wide knowledge base. By branching into pharmaceuticals and fine chemicals, DIK is setting the stage for productive synergies with the company's capabilities in complex multi-step organic chemical synthesis.



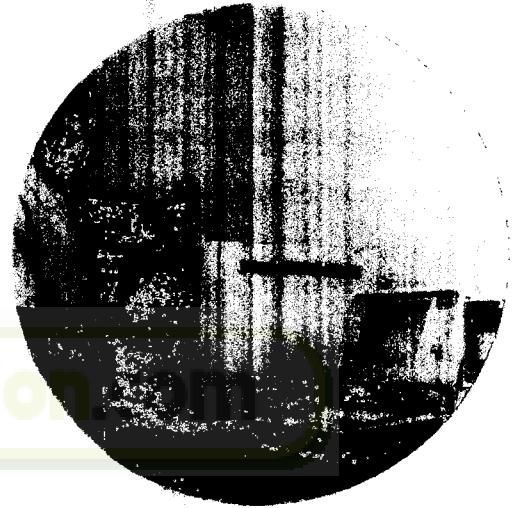
AN ENVIRONMENT OF EXCELLENCE

For over 30 years, the company has been manufacturing fine and speciality chemicals to the most stringent standards, under comprehensive quality control systems.

This accumulated experience stands today as a total assurance of continuing excellence.

In its Quality Management practices, environment and hygiene-oriented methods, and safety standards, DIL follows today's most rigorous global norms.

By prioritizing its concerns for environment, safety and quality, DIL ensures that they are unfailingly integrated into production, during the production and scale-up stages.





NOTICE

NOTICE is hereby given that the Thirty-eighth Annual General Meeting of the Members of **DAI-ICHI KARKARIA LIMITED** will be held on Saturday, 19th September, 1998 at 11.00 a.m at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20 Kaikhushru Dubash Marg, Mumbai 400 023 to transact with or without modifications, as may be permissible, the following business:

1. To receive, consider and adopt the Directors' Report, the Audited Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date and Auditors' Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. J.H.C. Jehangir, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. A.H. Jehangir, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Dr. K.H. Gharda, who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

7. **To consider and, if thought fit, to pass the following Resolution with or without modification/s as an Ordinary Resolution:**

"RESOLVED that, approval of the Company be and is hereby accorded pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, to the Company's Registers and Index of members as well as its Annual Return under Section 159 of the said Act and copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 or any one or more of them being kept at the office/s of Computrade Services Pvt. Ltd., Wakefield House, 11, Sprott Road, Ballard Estate, Mumbai 400 038, with effect from the date of this Annual General Meeting."

"RESOLVED FURTHER that the aforesaid Registers, Index, Returns and Documents required to be maintained and kept open for inspection under the provisions of the Act, be kept open for such inspection at the aforesaid place/s, for persons entitled to inspect, to the extent and in the manner and on payment of fees, if any, specified in the Act, between 2.00 p.m. and 4.00 p.m. on any working day of the said Computrade Services Pvt. Ltd., except when the Registers and Books are closed in accordance with the provisions of the Act and the Articles of Association of the Company."

8. **To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:**

RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

After Article 26, insert the following Article as Article 26A:

Buy Back of shares	Notwithstanding anything contained in these Articles, in the event it is permitted by law for a Company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law.
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DAI-ICHI KARKARIA LIMITED

9. To consider and, if thought fit, to pass, with or without modifications, the following Resolutions as Special Resolutions:

RESOLVED that if and when permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, sanctions and permissions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Ordinary Shares or other Securities specified by the Government, of the Company, as thought fit from the holders of the Ordinary Shares or other Securities of the Company in such proportion and manner as may be permitted by the law, not exceeding such percentage of the capital of the Company as may be permitted by the law from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of Ordinary Shares or other Securities.

RESOLVED FURTHER that nothing hereinabove contained shall confer any right on any Member to offer, or any obligation on the Company or the Board, to buy back any Ordinary Shares or other Securities."

By Order of the Board

H. H. Bhesania

Asst. Company Secretary

Date: 16th July, 1998

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai 400 020.

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NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

A 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 relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under item Nos. 7 to 9 set out above is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 1998 to 19th September, 1998 (both days inclusive).
4. Dividend if sanctioned will be paid within the stipulated period to those members whose names appear in the Company's Register of Members on 19th September, 1998.
5. Members are requested to immediately notify any change in their addresses to the Registrar and Transfer Agents, M/s. Computrade Services Pvt. Ltd., Wakefield House, 11, Sprott Road, Ballard Estate, Mumbai 400 038.
6. Shareholders desiring any information as regards Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
7. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT ALONGWITH THEM AS COPIES OF THE REPORT WILL NOT BE DISTRIBUTED AT THE MEETING.



Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 7 :

The Company seeks the approval of the members u/s 163 of the Companies Act, for keeping the Register and index of Members and copies of all annual returns with their enclosures at the office of the Registrar and Transfer Agents, M/s. Computrade Services Pvt. Ltd., Wakefield House, 11, Sprott Road, Ballard Estate, Mumbai 400 038.

None of the Directors is concerned or interested in the Resolution.

Item No. 8 :

Article 26 of the Articles of Association of the Company prohibits the Company from buying its own shares and securities. It is proposed to introduce a new Article 26A in the Articles of Association as set out in the Resolution at Item No. 8 in the event this is permissible by the law.

None of the Directors of the Company is concerned or interested in the Resolution.

A copy of the Articles of Association of the Company together with the proposed alterations referred to in the Resolution at Item No. 8 of the Notice is available for inspection by the members at the Registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays.

Item No. 9 :

The Companies Act, 1956, presently prohibits a Company from purchasing its own shares and securities. However, it is anticipated that the law may in future permit a Company to buy back its own securities (buy back of securities).

Subject to the buy back of securities being legally permissible, it is proposed to enable the Company to buy back its Ordinary Shares or such other permissible securities not exceeding such percentage of the capital of the Company as may be permitted by the law from the members of the Company, either from the open market or from the holders of odd lots, or as permitted by the law. The buy back of shares or securities would be at the rate and from the funds as permitted by the law as set out in the Resolution.

The Resolution, if approved, will be operative for and given effect to within a period of 15 months from the date of passing of the Resolution or such other time limit laid down by the law.

The Directors recommend the Resolution for acceptance by the Members.

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

By Order of the Board

H. H. Bhesania
Asst. Company Secretary

Date: 16th July, 1998

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai 400 020.

DAI-ICHI KARKARIA LIMITED

10. **HEALTH, SAFETY & ENVIRONMENT :**

- Safety audits are continuously carried out in various installations of the Company. The findings and recommendations of these audits are discussed by the Senior Executives and plans to improve Health and Safety of the workmen are implemented. The R&D personnel are also vigilant about adopting environmentally safe routes in the process of new products developed by them which are again scrutinized from Health, Safety and Environmental angle before commercialisation.

11. **INDUSTRIAL RELATIONS :**

The industrial relations during the year were cordial and peaceful.

12. **ACKNOWLEDGEMENT :**

Your Directors wish to place on record their appreciation of the contribution made by the employees of the Company. The Directors would also like to thank customers, suppliers and bankers for their continued and unstinted support.

On behalf of the Board of Directors

Place: MUMBAI
Date: 16th July, 1998

D. M. Neterwala
Chairman

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**ANNEXURE ' A'****STATEMENT UNDER SECTION 217(2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 1998.**

Name & Age of employee	Designation/ Nature of duties	Qualifications & Experience	Date of joining	Annual remu- neration Rs.	Particulars of last employment
	(a)	(b)	(c)	(d)	(e)
1. Mrs. S. F. Vakil (47)	Managing Director / Management of the Company's Operations	M.A.(Hons.), M.B.A.(USA) (24)	1.10.80	4,51,192	Universal Ferro & Allied Chemicals Limited
2. H.J. Gazder (56)	Works Director Management of the Company's Operations at Pune	M.Tech (31)	17.5.67	3,16,082	—
3. V.J. Victor Prabhakar (53)	Gen. Manager Project Co- ordination Hyderabad Project	B.Sc B. Tech. (28)	15.4.96	3,51,615	Nicholas Piramal India Ltd. DGM-Project Co-ordination
4. K.S. Raghavan (60)	Director Maternal Health Div. at Hyderabad	M.Sc Ph.D (30)	1.12.96	3,09,955	Astra IDL Ltd. Vice-President Maternal Health Care

Nature of Employment : Whether Contractual or otherwise — contractual.

Other Terms and Condition : Remuneration includes salary, commission, bonus, medical and other Taxable perquisites, but excludes contribution to Provident Fund and Gratuity Fund. All these are given as per Company's Rules and Regulations in force from time to time.

Notes : Mrs. S. F. Vakil, who is a Managing Director is a relative of the Chairman, Mr. D. M. Neterwala.

The designation Director against Sr. Nos. 2 and 4 denotes functional director and not a Director of the Board of Directors.

Place : MUMBAI

Date : 16th July, 1998