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DAIKAFFIL

CHEMICALS INDIA LIMITED

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6th ANNUAL REPORT

1997-98

11/11/11

11/11/11



DAIKAFFIL

Board of Directors	Jayant G. Patel	- Chairman.
	Sishir R. Amin	- Managing Director.
	Amit J. Patel	
	Yoshiaki Tagami	
	Kishore Tanna	
	Bina Trivedi	
	Bharat Kewalramani	- Alternate Director to Bina Trivedi

Company Secretary Vatsal Desai

Bankers Karnataka Bank Ltd.,

Auditors Gaurang Merchant & Co.

Registrars and Share Transfer Agents Consolidated Share Services Private Ltd.,
Shanti Nagar Cross Road, 'A',
Near M.I.D.C. Bus Depot, M.I.D.C.,
Andheri (East), Mumbai - 400 093.

Registered Office 52, Nariman Bhavan,
Nariman Point,
Mumbai - 400 021.

Plant Plot No. E/4, M.I.D.C.,
Tarapur, Boisar,
Dist : Thane,
MAHARASHTRA

ANNUAL GENERAL MEETING

Date : 5th September, 1998

Time : 10.30 A.M.

Venue : M.C.GHIA Hall, Bhogilal Hargovindas Building,
18/20, Kaikhushru Dubash Marg,
Mumbai - 400 001.

Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.

DAKAFFIL**NOTICE**

NOTICE is hereby given that the **SIXTH ANNUAL GENERAL MEETING** of the Members of DAKAFFIL CHEMICALS INDIA LIMITED will be held on SATURDAY, the **5TH SEPTEMBER, 1998** at M.C.Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai - 400 001 at **10.30 A.M.** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Kishore Tanna, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri. Amit Patel, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

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.
2. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
3. The Share Transfer Book and the Register of Members of the Company will remain closed from Saturday the, 29th August, 1998 to Saturday the 5th September, 1998 (both days inclusive).
4. Members are requested to
 - (i) immediately intimate change of address, if any, either to the Company or to the Share Transfer Agent quoting their Registered Folio Number.
 - (ii) write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting.
5. Members/Proxies are requested to bring the copy of their Annual Report alongwith them and to produce the attendance slip at the entrance of the Meeting Hall.

For and on behalf of the Board

SISHIR AMIN
MANAGING DIRECTOR

Place : Mumbai
Date : 28th July, 1998

DIRECTORS' REPORT

Dear Members,

Your Directors present their Sixth Annual Report together with the Audited Statement of Accounts along with the Report of the Auditors for the year ended 31st March, 1998.

FINANCIAL RESULTS

The Financial results are indicated below :-

		Current Year Rupees	Previous Year Rupees
Profit for the year before providing for Depreciation and taxation		39,70,418	93,65,837
Less : Depreciation	35,93,318		27,18,849
Provision for Taxation	45,000	36,38,318	8,75,000
Profit after tax		3,32,100	57,71,988
Add : Balance brought forward from the previous year		36,13,331	41,16,673
Amount available for appropriation		39,45,431	98,88,661
		=====	=====
APPROPRIATION :			
Transferred to General Reserve		Nil	5,00,000
Proposed Dividend		Nil	52,50,300
Tax on Proposed Dividend		Nil	5,25,030
Balance carried to Balance Sheet		39,45,431	36,13,331
		39,45,431	98,88,661
		=====	=====

DIVIDEND

In view of negligible profit, the Directors are unable to recommend any dividend.

PERFORMANCE

In a major blow to the export thrust provided by the Government, the second half of the year under review witnessed the worst-ever fall in export growth in the last couple of years.

Sales and profitability were adversely affected due to severe impact of massive devaluation of Asian currencies, resulting in slow down in volumes and competitive prices showing negative margins. Signs of weak export demand continue to show.

Whereas, the production lines of various OBA's worked partially, newly installed Intermediate capacity substantially remained idle due to the failure of critical equipment which has now been procured from alternate sources.

Since Export demand remain sluggish in South East Asian region, Company has plans to export part of its production to Europe and USA. The Government is likely to announce a package of measures to arrest the negative trend in exports currently witnessed.

FOREIGN EXCHANGE EARNED

The Foreign Exchange earning of the company during the year amounted to Rs.445.47 lacs (Previous Year Rs 647.84 lacs). The net Foreign Exchange earning of the Company after deducting outflow of all accounts amounted to Rs.306.08 lacs, against Rs.510.11 lacs in the previous year.

SAFETY AND ECOLOGY

Safety and Environment protection strategies continue to be accorded the same priority as high product quality. Constant review of safety standards at the factory enabled the company to operate with enhanced degree of safety.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

As required under Section 217(i)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 the relevant information is given below:

DAIKAFFIL

CONSERVATION OF ENERGY

The Company's operation involve high energy consumption. Wherever possible, energy conservation measures have already been implemented. The company is making all efforts to optimise the use of energy improved operational methods.

Diesel Generating Set worked satisfactorily during power failures on feeder lines of MSEB.

Relevant data in respect of energy consumption is as below:

(I) Power & Fuel Consumption

1. Electricity		
Purchased units	8,66,622	(P.Y. 8,30,024)
Total amount	Rs. 32,20,166	(P.Y. 29,97,427)
Rate/unit (Rs.)	Rs. 3.71	(P.Y. 3.61)
2. Light Diesel Oil		
Quantity(Litres)	3,98,705	(P.Y. 4,27,300)
Total amount	Rs. 34,49,481	(P.Y. 35,26,383)
Average rate (Rs/Lits.)	Rs. 8.65	(P.Y. 8.25)

(II) Consumption per Unit of Production

1. Electricity	Rs. 18.00 P/Kg.	(P.Y. 10.61P/Kg.)
2. L.D.O.	Rs. 19.27 P/Kg.	(P.Y. 12.48P/Kg.)

INSURANCE

All the insurable assets have been adequately insured.

PARTICULARS OF EMPLOYEES

There was no employee in receipt of remuneration of Rs. 25,000/- per month or Rs.3,00,000/- per annum during the year under review and hence statement under Section 217(A) of the Companies Act, 1956 is not given.

COMMENTS ON AUDITORS REPORT

The notes referred to by the Auditors in their Report are self- explanatory and hence require no further explanation.

DIRECTORS

Shri. Pradip Shah has resigned with effect from 23rd February,1998. The Board place on record its sincere appreciation of the valuable contribution made by him during his tenure as a Director of the Company. Smt. Bina Trivedi was appointed as a Director in the casual vacancy caused by the resignation of Shri. Pradip Shah.

Shri. Kishore Tanna and Shri. Amit Patel, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

FOREIGN COLLABORATORS

Company continues to receive usual support from the Collaborators, despite recessionary conditions presently prevailing.

AUDITORS

Members are requested to appoint Auditors for the current year and to fix their remuneration. M/s Gaurang Merchant & Co., the retiring Auditors, are eligible for re-appointment and have furnished a certificate to the effect that their re-appointment, if made, will be in accordance with the limits specified in section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGMENT

Your Directors express their grateful appreciation for the assistance and co-operation extended by the Banks during the year, and wish to place on record their deep sense of appreciation for the devoted services of the employees and staff of the Company.

For and on behalf of the Board

Place:Mumbai
Date : 28th July,1998

Jayant G. Patel
Chairman

AUDITORS' REPORT

To the Members of Daikaffil Chemicals India Ltd.

We have Audited the attached Balance Sheet of **DAKAFFIL CHEMICALS INDIA LIMITED** as at 31st March 1998, and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order 1988, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the said Order.
2. Further to our Comments in the Annexure referred to in paragraph 1 above, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the above books of account;
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1998 and;
 - (ii) in the case of the Profit and Loss Account of the Profit for the year ended on that date.

For **GAURANG MERCHANT & CO.**
Chartered Accountants

G.V. MERCHANT
Proprietor

Mumbai,
29th July, 1998.