



DAIKAFFIL
CHEMICALS INDIA LIMITED

Report  junction.com

7th ANNUAL REPORT

1998-99

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 I. Desai

Bankers

Karnataka Bank Ltd.,

Auditors

Gaurang Merchant & Co.

Registrars and Share Transfer Agents

Intime Spectrum Registry Pvt.Ltd.,
 260, Shanti Industrial Estate,
 Sarojini Naidu Road,
 Mulund (West), Mumbai - 400 080.

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 : 30th September, 1999

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.

NOTICE

NOTICE is hereby given that the **SEVENTH ANNUAL GENERAL MEETING** of the Members of DAIKAFIL CHEMICALS INDIA LIMITED will be held on **THURSDAY, the 30TH SEPTEMBER, 1999** 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, 1999 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. Yoshiaki Tagami, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To appoint a Director in place of Ms. Bina Trivedi who was appointed as Director of the Company and who holds office upto the date of this Annual General Meeting by reason of Section 262 of the Companies Act, 1956 but being eligible, offers herself for re-appointment and in respect of whom the company has received a notice in writing from a member signifying his intention to propose her as a candidate for the office of Director.
5. To consider, and if though fit, to pass with or without modifications, the following Resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby granted to the re-appointment of Shri. Sishir Amin as Managing Director of the Company, for a period of five year with effect from 1st November, 1999 to 31st October, 2004 on the salary, commission and perquisites as set out in the letter issued to him and laid before the meeting, with liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites in such manner as the Board in its absolute discretion deem fit and acceptable to Shri. Sishir Amin within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications or re-enactments made from time to time by the Central Government in this behalf."

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

"RESOLVED THAT in partial modification of the Special Resolution passed at the Fifth Annual General Meeting held on 8th September, 1997, the documents referred to in section 163 (1) of the Companies Act, 1956 may instead of being kept at the Registered office of the Company be kept at the office of the Intime Spectrum Registry Private Limited., 260 Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai - 400 080."

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 Thursday the, 23rd September, 1999 to Thursday the 30th September, 1999 (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 prior to the date 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.

By order of the Board

Sishir Amin
Managing Director

Mumbai

Date : 23rd August, 1999

DAIKAFFIL**ANNEXURE TO THE NOTICE.****EXPLANATORY STATEMENT UNDER SECTION 173 OF
THE COMPANIES ACT, 1956.****Item No. 4**

Ms. Bina Trivedi was appointed as Director of the Company with effect from 28th July, 1998 by the Board of Directors to fill the casual vacancy caused by the resignation of Mr. Pradip Shah who resigned with effect from 23rd February, 1998.

Pursuant to the Section 262 of the Companies Act, 1956 Ms. Bina Trivedi holds office only upto the date of the forthcoming Annual General Meeting because Mr. Pradip Shah in whose place she was appointed would have held the office upto the date of forthcoming Annual General Meeting had he not resigned.

Notice in writing has been received from a Member of the Company along with the deposit of Rs. 500/- pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose Ms. Bina Trivedi as a candidate for the office of Director.

Ms. Bina Trivedi is interested in the Resolution at Item No. 4 of the accompanying Notice since it relates to her own appointment.

Item. 5

The Shareholders will recall approving the appointment of Shri. Sishir Amin as Executive Director of the Company for a period of five year at the Extra Ordinary General Meeting of the Company held on 11th October, 1994.

Shri. Sishir Amin was thereafter re-designated as the Managing Director of the Company with effect from 23rd May, 1997.

Considering the growth and progress made by the Company, the Board of Directors of the Company at their meeting held on 23rd August, 1999 has recommended the remuneration to the Managing Director subject to approval of the Shareholders in the ensuing Annual General Meeting as under :-

- a) Period – Five years with effect from 1st November, 1999 to 31st October, 2004.
 - b) Basic Salary of Rs. 30000/- (Rupees Thirty Thousand only) per month in the grade of Rs. 30000 – 3000 – 36000 – 5000 – 46000.
 - c) Perquisites : Perquisites such as fully furnished house, house rent allowance, expenditure incurred on gas, electricity, water and furnishings, medical benefits for himself and his family, leave travel concession, club fees, personal accident insurance or other allowance equivalent to his annual salary or Rs. 240000/- per annum whichever is less.
 - d) Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the company will pay to the Managing Director a remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of part II of Schedule XIII of the Companies Act, 1956 and as may be decided by the Board of Directors of the Company.
- 1) The Salary and perquisites mentioned under (b) (c) and (d) will be EXCLUSIVE of :
 - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent of this either singly or out together are not taxable under the Income-tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half month's salary for each completed year of service, and
 - iii) Encashment of Leave at the end of tenure.
 - 2) In addition to the above salary, in the years in which the Company has sufficient profit, Shri. Sishir Amin be paid commission on the annual net profits of the Company, as may be decided by the Board, at the end of each financial year, computed in the manner, laid down in Section 309(5) of the Companies Act, 1956, subject to the

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ceiling laid down in Sections 198 and 309 of the Companies Act, 1956 on the total remuneration.

- 3) In addition to the above salary, Shri. Sishir Amin Managing Director of the Company shall be entitled to the following benefits :
- Car provided for use on Company's business and telephone at residence will not be considered as perquisites.
 - Personal long distance calls and use of car for private purpose shall be billed by the Company to the Managing Director.
 - The Company shall reimburse to the Managing Director entertainment, travelling and all other expenses incurred by him for the business of the Company.
 - Earned Leave : On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of service.

A copy of the letter dated 23rd August, 1999 addressed by the Company to Shri. Sishir Amin recording the terms of his appointment for a period of five years from 1st November, 1999 to 31st October, 2004 is available for inspection by the Members between 11.00 to 2.00 p.m. on any working day at the Registered office of the Company.

This may be treated as an abstract of the draft letter dated 23rd August, 1999 addressed by the Company to Shri. Sishir Amin pursuant to Section 302 of the Companies Act, 1956.

The Managing Director as long as he function as such, shall not be paid any fees for attending the meeting of the Board of Directors or any Committee thereof.

The Board commends passing of the Resolutions as set out in item No. 5 of the accompanying notice.

Mr. Sishir Amin is concerned and interested in resolution under item 5.

Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in this item.

Item. 6

At the Fifth Annual General Meeting of the Members of the Company held on Monday, the 8th September 1997, Members of the Company approved by a Special Resolution pursuant to Section 163 of the Companies Act, 1956 approved keeping of documents referred to in Section 163 (1) of the Companies Act, 1956 instead of at the Registered Office of the Company at office of Consolidated Share Services Private Limited at Shariti Nagar, Cross Road A, near M.I.D.C., Andheri (East), Mumbai - 400 093.

M/s. Consolidated Share Services Private Limited, the present Registrars and Transfer Agents have restructured their operations in association with M/s. Spectrum Corporate Services Limited and M/s. Intime Share Services Private Limited and promoted a new Company, " M/s. Intime Spectrum Registry Private Limited " which can act as Registrars and Transfer Agents.

At the Meeting of the Board of Directors of the Company held on 23rd August, 1999 M/s. Intime Spectrum Registry Private Limited have been appointed as Registrars and Transfer Agents of the company.

The Board commends passing of the Resolution as set out in item No. 6 of the accompanying notice.

None of the Directors of the Company are concerned or interested in the said Resolution at Item No. 6 of the Notice.

By order of the Board

Sishir Amin
Managing Director

Mumbai

Date : 23rd August, 1999

DIRECTORS' REPORT

Dear Members,

Your Directors present their Seventh Annual Report together with the Audited Statement of Accounts along with the Report of the Auditors for the year ended 31st March, 1999.

FINANCIAL RESULTS

The Financial results are indicated below :-

	Current Year Rupees	Previous Year Rupees
(Loss)/Profit for the year before providing for Depreciation and taxation	(36,22,992)	39,70,418
Less : Depreciation	47,60,883	35,93,318
Provision for taxation	--	45,000
(Loss)/Profit after tax	(83,83,875)	3,32,100
Add : Balance brought forward from the previous year	39,45,431	36,13,331
Transfer from General Reserve	13,00,000	--
Excess provision for taxation of earlier year written back	46,662	--
Balance carried forward	(30,91,782)	39,45,431

DIVIDEND

The Directors regret their inability to recommend any dividend, in view of loss incurred during the year under review.

PERFORMANCE

The economic sentiment remained by and large sluggish throughout, with weak domestic demand and extremely competitive exports. Further, due to large surplus production arising from recently commenced new Chinese Plants, the Company had to trim production programme to obtain an optimal realisation from the available sources.

Despite substantial erosion in Export prices consequent to stiff competition in the overseas market of the South East Asean region, the sales were higher by about 35%, contributed mainly by the active marketing support of Japanese Collaborators and successful introduction of Company's products in the highly quality conscious European Market.

However, in view of the Socio-Economic Environment gradually changing with political stability and enhanced growth prospects of the economy, company's current working has shown marginal improvement.

FOREIGN EXCHANGE EARNED

The Foreign Exchange earning of the company during the year amounted to Rs.456.93 lacs (Previous Year Rs 445.47 lacs). The net Foreign Exchange earning of the Company after deducting outflow of all accounts amounted to Rs.295.73 lacs, against Rs.306.08 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:

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.