



**DAIKAFIL**  
**CHEMICALS INDIA LIMITED**

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**9th ANNUAL REPORT**  
**2000-2001**

**DAIKAFFIL**

<b>Board of Directors</b>	Amit J. Patel - Chairman.
	Sishir R. Amin - Managing Director.
	Jayant G. Patel
	Yoshiaki Tagami
	Kishore Tanna

<b>Company Secretary</b>	V. Desai
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<b>Bankers</b>	Karnataka Bank Ltd.,
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<b>Auditors</b>	Gaurang Merchant & Co.
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<b>Registrars and Share Transfer Agents</b>	Intime Spectrum Registry Pvt.Ltd., 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai - 400 080.
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<b>Registered Office</b>	52, Nariman Bhavan, Nariman Point, Mumbai - 400 021.
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<b>Plant</b>	Plot No.E/4, M.I.D.C., Tarapur, Boisar, Dist : Thane, MAHARASHTRA
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**ANNUAL GENERAL MEETING**

<b>Date :</b>	29th September, 2001
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<b>Time :</b>	10.00 A.M.
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<b>Venue :</b>	Registered Office of the Company 52, Nariman Bhavan, Nariman Point, Mumbai - 400 021
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**Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.**

**DAIKAFFIL****NOTICE**

NOTICE is hereby given that Ninth Annual General Meeting of Members of Daikaffil Chemicals India Limited will be held on Saturday the 29th September' 2001 at 10.00 a.m. at 52, Nariman Bhavan, Nariman Point, Mumbai-400 021 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March' 2001 and Profit and Loss Account for the year ended on that date, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Kishore Tanna who retires by rotation, but being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

**AS SPECIAL BUSINESS**

To consider and, if thought fit, to pass with or without modifications:

4. As a Special Resolution

**RESOLVED THAT** pursuant to Section 31, 192A and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by adding a new Article 85A as under after the existing Article 85.

Notwithstanding anything contained in the Articles of Association of the Company, the Company do adopt the mode of passing the resolutions by its members by means of a postal ballot (including voting by electronic mode) and/or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in general meeting of the Company:

- Any business that can be transacted by the company in general meeting; and
- Particularly, resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/or other ways prescribed by the Central Government in this regard.

5. As a Special Resolution

**RESOLVED THAT** the Equity Shares of the Company be delisted from the Ahmedabad Stock Exchange in accordance with the relevant laws, rules, regulations or guidelines and subject to such approvals as may be necessary and in compliance with such conditions and modifications as may be necessary for the purpose.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof exercising the powers conferred by the Board) be and is hereby authorised to seek voluntary delisting, to take all necessary steps in this regard as it may in its absolute discretion deem necessary and to settle any question, difficulties, doubts that may arise in regard to delisting of the existing shares, and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to the Managing Director or any person whom the Managing Director may consider suitable to do various acts, deeds and things required to be done in this behalf.

**NOTES :**

1. Explanatory Statement as required by Section 173(2) of the Companies Act' 1956 in respect of item 4 & 5 being special business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday the 22nd September' 2001 to Saturday the 29th September' 2001 ( both days inclusive)
4. The members are requested to:
  - a) Intimate changes, if any, in their registered addresses to the company's Registrars and share transfer Agents M/s. Intime Spectrum Registry Private Limited, 260 Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai-400 080.

## **DAKAFFIL**

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- b) Quote ledger folio numbers in all their correspondence.
- c) Consolidation of Folios:  
It has been observed that certain shareholders of the Company are holding shares under multiple folios.  
With a view to render prompt and efficient service to our shareholders as well as to avoid duplication of expenses in sending balance sheets, dividend warrants etc., the Company is desirous of eliminating holding under multiple folios.  
In case, you are holding shares of the Company in more than one folio (in the same sequence of joint names in joint holding), you are requested to send a letter of request along with the relevant share certificates to the company or to the Registrars and Share Transfer Agents, M/s. Intime Spectrum Registry Pvt. Ltd.  
The consolidation of multiple folios in one common folio will help the Company to serve you better at all times.
- d) As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available for members, debenture holders and fixed deposit holders in respect of the shares, debentures and deposits held by them.
- e) Bring their copies of the Annual Reports and the attendance Slips with them at the Annual General Meeting.
5. Members desirous of getting any information about the accounts and operation of the Company are requested to address their queries to the Secretary of the Company atleast ten days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.

By Order of the Board.  
**For DAKAFFIL CHEMICALS INDIA LIMITED**  
**SISHIR AMIN**  
MANAGING DIRECTOR

**Registered Office:**  
52, Nariman Bhavan,  
Nariman Point,  
Mumbai – 400 0021  
Dated : 30th August, 2001



**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)  
OF THE COMPANIES ACT, 1956****ITEM No. 4**

The recently inserted Section 192A in the Companies Act, 1956 brings in a new concept of ascertaining the preference of Shareholders whereby a listed Public Company may, and in the case of resolutions relating to such business as the Central Government notifies to be conducted only by postal ballot, shall, get any resolution passed by means of a postal ballot (including voting by electronic mode) instead of transacting the business in general meeting. However, the Articles of Association of the Company have to be amended by inserting the aforesaid provisions to enable the Company to make use of this provision.

Pursuant to provisions of Section 31 of the Companies Act, 1956, any amendment in the provisions of Articles of Association of the Company requires the approval of members by way of special resolution. Hence, the Board of Directors recommends the said special resolution for your approval.

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

**ITEM No. 5**

The Equity Shares of the Company are presently listed at Mumbai (the regional Stock Exchange), and Ahmedabad. Since the last 3 years the volume of trading of the Company's shares at Ahmedabad Stock Exchange has reduced considerable which does not justify payment of considerable amount by way of listing fees and other expenses which the Company is incurring. The Board of Directors of the Company at their meeting held on 30th August 2001 have, therefore, decided to get the shares de-listed from the above mentioned Ahmedabad Stock Exchange in accordance with the applicable laws, rules, regulations and guidelines.

As required under the listing agreement entered by the Company with the Stock Exchange, the Company seeks your approval by way of Special Resolution for de-listing the shares of the Company from the said Stock Exchange at Ahmedabad.

Shareholders/Investors in these regions will not suffer due to delisting since with the introduction of screen trading on Mumbai Stock Exchange, trading in shares can easily be done from all over the country.

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

By Order of the Board.

For **DAKAFFIL CHEMICALS INDIA LIMITED**

**SISHIR AMIN**

MANAGING DIRECTOR

**Registered Office:**

52, Nariman Bhavan,

Nariman Point,

Mumbai – 400 0021

Dated : 30th August, 2001

**DAIKAFIL****DIRECTORS' REPORT**

Dear Members,

Your Directors present their Ninth Annual Report together with the Audited Statement of Accounts along with the Report of the Auditors for the year ended 31st March, 2001.

**FINANCIAL RESULTS**

The Financial results are indicated below :-

	<b>Current Year Rupees</b>	<b>Previous Year Rupees</b>
Profit / (Loss) for the year before providing for Depreciation and Taxation	<b>24,82,665</b>	(12,68,852)
Less : Depreciation	<b>53,07,315</b>	50,79,362
Provision for Taxation	—	—
(Loss)/Profit after Depreciation & Tax	<b>(28,24,650)</b>	(63,48,214)
Add : Balance brought forward from the previous year	<b>(94,54,658)</b>	(30,91,782)
Prior year adjustments for taxation	<b>3,124</b>	(14,662)
Balance carried forward	<b>(1,22,76,184)</b>	(94,54,658)

**DIVIDEND**

In view of carry forward loss, the directors do not recommend any dividend for the year.

**PERFORMANCE**

The year under review witnessed global slump with the unexpected slow down due to lower growth of robust economies of USA, Europe and Japan, resulting in adverse outlook for the ASEAN markets. The general observation of the Chemical Industry was that the prices in constant dollar terms have sunk to all-time low, with slim chances of any real improvement in the foreseeable future.

Under such circumstances, limited choice was either to cut back the production or accept the challenges of inevitable globalisation.

In spite of such competitive environment, the Company was still able to increase sales by about 41% to Rs.10 Crore, that has been reflected in working results and also bring down the losses to Rs.28.25 Lacs as against Rs.63.48 Lacs in previous year after providing full depreciation of Rs.53.07 Lacs. This significant improvement was achieved in the background of over capacity, slump in demand and fierce global competition. The Company focussed on reduction in variable costs and profitable product-mix.

**FOREIGN EXCHANGE EARNED**

The Foreign Exchange earning of the Company during the year amounted to Rs.910.26 lacs (Previous Year Rs. 625.51 lacs). The net Foreign Exchange earning of the Company after deducting outflow of all accounts amounted to Rs.530.75 lacs, against Rs.205.08 lacs in the previous year.

**FOREIGN EXCHANGE LOAN**

Foreign Exchange Loan raised by the Company to finance expansion of intermediates capacity which stood at Rs. 16.18 lacs during the year end has been subsequently paid off as per its maturity date.

**FOREIGN COLLABORATORS**

The Company continues to receive full support from the Japanese Collaborators in respect to marketing and Technical Assistance.

**DEMATERIALISATION OF SHARES**

The trading in shares of your Company in dematerialised form becomes compulsory for all investors.

**DIRECTORS**

Pursuant to attaining the age of superannuation Shri Jayant Patel has stepped down as a Chairman, but would continue to be associated actively as a Director on the Board.

Shri. Amit Patel working as a Director from the inception having shouldered overall responsibilities of the Company was elevated to the post of the Chairman of the Board of Directors and the Company w.e.f. 1st May, 2001.

**DELISTING OF SHARES**

The Equity Shares are presently listed on Mumbai and Ahmedabad Stock Exchanges. The shares are actively traded for past few years, only on Mumbai Stock Exchange and there was no trade on Ahmedabad Stock Exchange for last three years. As an appropriate economy measure, the Board proposes to delist the Company's shares from Ahmedabad Stock Exchange.