

Camlin



| | | | | |
|-----|---|---|-----|---|
| MD | ✓ | | BKC | ✓ |
| CS | ✓ | | DPY | ✓ |
| RO | ✓ | | DIV | ✓ |
| TRA | ✓ | | AC | ✓ |
| AGM | ✓ | ✓ | SHI | ✓ |
| YE | ✓ | ✓ | | ✓ |

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Camlin Limited

51st Annual Report 1997-98





BOARD OF DIRECTORS

Mr. S.D. Dandekar - *Executive Chairman*
 Mr. D.D. Dandekar - *Joint Managing Director*
 Mr. R.M. Dandekar - *Joint Managing Director*
 Mr. S.S. Dandekar - *Executive Director*
 Mr. D.M. Dandekar - *Executive Director*
 Mr. A.S. Dandekar - *Executive Director*

(Appointed w.e.f. 26.07.1998)

Mr. M.L. Apte

(Resigned w.e.f.26.07.1998)

Dr. D.S. Bhate

Mr.G.G. Desai

Mr. S.E. Godbole

Mr. M.P. Khedkar

Mr. P.A. Narvekar

Mr. S.S. Shirgaokar

REGISTERED OFFICE

Camlin House, J.B. Nagar,
 Andheri (E), Mumbai 400 059.

WORKS

J.B.Nagar, Andheri (E), Mumbai 400 059.

M.I.D.C.Boisar, Tarapur (Dist. Thane) 401 506.

M.I.D.C. Taloja, Navi Mumbai 410 208.

DY. COMPANY SECRETARY

Ms. Lorna D'cunha

AUDITORS

B.K. Khare & Co.
 Chartered Accountants
 Mumbai 400 020.

BANKERS

Bank of Maharashtra.
 The United Western Bank Ltd.

REGISTRARS & TRANSFER AGENTS

M/s. Sharepro Services,
 912, Raheja Centre,
 Free Press Journal Road,
 Nariman Point, Mumbai 400 021.

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NOTICE

NOTICE is hereby given that the 51st Annual General Meeting of the Members of Camlin Limited, will be held on Thursday, 24th September, 1998 at 3.00 P.M. at Walchand Hirachand Hall, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 1998, and the Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. M.P. KHEDKAR, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. P.A. NARVEKAR, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. S.S. SHIRGAOKAR, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint B. K. KHARE & CO., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and of the Articles of Association, consent of the Company

be and is hereby accorded to the appointment of Mr. A.S. Dandekar, President (Pharmaceutical & Fine Chemical Divisions) in wholtime employment of the Company under the designation 'President (Pharmaceutical & Fine Chemical Divisions) and Executive Director' and to his receiving remuneration, benefits and perquisites for a period of 3 years from 26th July, 1998, upon the terms, conditions and stipulations contained in the agreement entered into between the Company and Mr. A. S. Dandekar.

RESOLVED FURTHER THAT if as a result of any revision/relaxation announced by the Central Government in the existing guidelines and/or regulations governing managerial remuneration, Mr. A.S. Dandekar becomes eligible to higher remuneration and/or additional benefits and perquisites during his term of office, then in such an event, approval be and is hereby accorded to the Company for paying such higher remuneration and/or additional benefits and perquisites as may be mutually agreed upon between the Board of Directors of the Company and said Mr. A. S. Dandekar.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any Financial Year of the Company during the term of Mr. A.S. Dandekar as President (Pharmaceutical & Fine Chemical Divisions) and Executive Director of the Company, remuneration, benefits and perquisites payable to him shall be as per applicable provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956."

Regd. Office:
'Camlin House',
J. B. Nagar, Andheri (E),
Mumbai -400 059.
Dated: 27th July, 1998.

By Order of the Board

LORNA D'CUNHA
Dy. Company Secretary

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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 OF THE COMPANY.
2. The Register of Members and Share Transfer Books will remain closed from 16th September, 1998 to 24th September, 1998 (both days inclusive).
3. The Dividend when sanctioned will be paid on or before 31st October, 1998 to those eligible shareholders whose names stand on the Register of Members on 24th September, 1998. Members are requested to notify immediately their change of address, if any.
4. Pursuant to provisions of Section 205 A(5) of the Companies Act, 1956, all dividends which remained unpaid or unclaimed upto the financial year ended 31st March, 1994, have been transferred to General Revenue Account of the Central Government. Concerned members are requested to claim the amount from the Office of the Registrar of Companies, Maharashtra, Hakoba Mill Compound, Kalachowki, Lalbaug, Mumbai 400 033.
5. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of the business referred to under Item No.7 is annexed hereto.





ANNEXURE FORMING PART OF NOTICE EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

SPECIAL BUSINESS :

ITEM NO. 7

Vacancy caused in the Board of Directors of the Company on 26th July, 1998, due to resignation tendered by Mr. M.L. Apte, Director, was filled up with appointment of Mr. A.S. Dandekar, then working as President (Pharmaceutical and Fine Chemical Divisions) as a Wholtime Director with the designation of "President (Pharmaceutical and Fine Chemical Divisions) and Executive Director". Mr. A. S. Dandekar, shall hold office upto the date to which Mr. M.L. Apte would have held office, if it had not been vacated.

Mr. A. S. Dandekar has been working in the Company in various executive capacities for a long time and is at present in charge of company's upcoming and rapidly growing Pharmaceutical and Fine Chemical Divisions. For the purpose of achieving further business growth in these Divisions, Directors propose to have your approval to his appointment as a Wholtime Director. Remuneration payable, benefits and perquisites granted to Mr. A. S. Dandekar are commensurate with his experience, duties and responsibilities. Main terms of appointment are as under :

- a. Basic Salary of Rs.32,000/- (Rupees Thirty Two thousand only) per month.
- b. Company's contribution towards Provident Fund and Family Pension Scheme @ 12% of Salary or at any other rate as may be notified by the concerned statutory authorities from time to time.
- c. Company's Contribution towards Pension/ Superannuation Scheme @ 15% of Salary or at any other rate as may be notified by the concerned statutory authorities from time to time.
- d. Gratuity payable in accordance with an approved fund and which does not exceed one-half months' salary for each completed year of service.
- e. House Rent Allowance limited to 20% of monthly salary

OR

Rent free unfurnished accommodation, the

monetary value of which shall not exceed 60% of the salary of the Director, over and above 10% to be borne by him.

- f. The expenditure incurred by the Company on gas, electricity, water and furnishings will be evaluated as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary.
- g. Reimbursement of full hospital and medical expenses for self and family, subject to a ceiling of one month's salary in a year or three months salary in a block of three years.
- h. Leave Travel Concession for self and family by air or first class air conditioned by rail, once a year, to and from any place in India, subject to the condition that only actual fares and no hotel expenses will be allowed.
- i. Benefit of any Personal Accident Insurance Scheme, but premium of which does not exceed Rs.10,000/- per annum.
- j. Fees of clubs, subject to maximum of two clubs, provided that no life membership and admission fees are payable.
- k. Free use of not more than one telephone allowed, at Director's residence, i.e. all charges whereof including rental, call charges, etc. shall be paid by the Company in full. However, all long distance personal calls shall be borne and paid by him.
- l. Free use of motor car with driver shall be provided by the Company for the purpose of Company's business and the Company shall meet all expenses of running, maintenance and other expenses of every kind whatsoever incurred in respect thereof. Use of Car for personal purpose shall be billed by the Company to the Director.
- m. Rules of the Company in force from time to time as to leave holidays and payment of Ex-gratia shall be applicable to the Director.
- n. Director shall be paid remuneration by way of commission in addition to salary and perquisites

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calculated with reference to the Net Profits of the Company for particular financial year, subject to the overall ceilings laid down under provisions of Section 198 and 309 of the Companies Act, 1956. The Commission so payable to Director shall not exceed 1% of the Net Profit of the Company, subject to a ceiling of 50% of the annual salary payable to him.

Your Directors consider this appointment to be in the best interests of the Company and as such, request your approval to the resolution.

The terms and conditions contained in the agreement entered into between the Company and the concerned appointee is available for inspection of the Members at the Registered Office of the Company on any working day during the business hours upto the date of Annual General Meeting.

In case of Mr. A.S. Dandekar, none of the Directors other than Mr. S. D. Dandekar is concerned or interested in the resolution.

Resolution set out under Item No.7, together with this Explanatory Statement should be treated as an abstract under Section 302 of the Companies Act, 1956, relating to the appointment of Mr. A. S. Dandekar, as a Director in Wholtime employment designated as President (Pharmaceutical & Fine Chemical Divisions) and Executive Director of the Company.

Regd. Office:
'Camlin House',
J. B. Nagar, Andheri (E),
Mumbai -400 059.
Dated: 27th July, 1998.

By Order of the Board

LORNA D'CUNHA
Dy. Company Secretary



Camlin

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting herewith 51st Annual Report and Audited Statements of Account for the Financial Year ended 31st March, 1998.

FINANCIAL RESULTS

| | (Rs. in lacs) | |
|--|---------------|---------|
| | 1997-98 | 1996-97 |
| Profit Before Tax | 263.94 | 114.93 |
| Less : Provision for Tax | 28.00 | 15.00 |
| Balance available | 235.94 | 99.93 |
| (Less)/Add Adjustments for earlier years (Net) | (1.47) | 4.24 |
| | 234.47 | 104.17 |
| Add | | |
| Debenture Redemption Reserve No.2 written back | 16.67 | 33.33 |
| | 251.14 | 137.50 |
| Balance brought forward from last year | 69.04 | — |
| | 320.18 | 137.50 |
| Transferred to : | | |
| Debenture Redemption Reserve No.3 | 9.58 | 19.17 |
| Proposed Dividend | 60.00 | 35.72 |
| Corporate Dividend Tax | 6.00 | 3.57 |
| General Reserve | 25.00 | 10.00 |
| Balance carried forward | 219.60 | 69.04 |
| | 320.18 | 137.50 |

DIVIDEND

Taking into account disposable profits, the Directors are glad to recommend a higher dividend at the rate of Rs.2.50 per Share on 2400000 Equity Shares of Rs.10/- each, for the year ended 31st March, 1998, as against Rs.1.50 per share for the previous year. Dividend if approved at the forthcoming Annual General Meeting, will be paid to those Equity Shareholders, whose names appear on the Register of Members of the Company as on 24th September, 1998.

REVIEW OF OPERATIONS

Notwithstanding entry of New Indian and foreign Companies in the Company's lines of business, your Company has achieved a Sales Turnover of Rs.13601.54 Lacs for the year under review against Rs.11612.82 Lacs for the previous year, thus registering an impressive rise by 17.13%.

Profit After Tax at Rs.235.94 lacs surged by 136.11% against the previous year. Improved profitability was a result of ongoing efforts of your Management to keep the input costs and over heads under strict control as also rationalisation of product-mix. You will also be pleased to note that Company's Export turnover increased by 31.21% over the previous year.

SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956, the Audited Statement of Account, alongwith the Report of the Board of Directors of Camlin International Ltd. and the Auditors' Report thereon for the year ended 31st March, 1998 are annexed.

DEPOSITS

During the year, the Company has accepted deposits from the Public, Deposits amounting to Rs.5.05 lacs remained unclaimed on maturity. Out of these, deposits amounting to Rs.1.30 lacs have been renewed/repaid as on date.

With effect from 1st July, 1998, the Company has appointed its Registrars & Share Transfer Agents, M/s. Sharepro Services, as Registrars to the Fixed Deposit Scheme in place of M/s. Amalgamated Investments Ltd.

REDEMPTION OF DEBENTURES

During the year, the Company redeemed the last installment of 33,340, 14% Secured Redeemable Non-Convertible Debentures of Rs.100/- each issued in the year 1988.

TERMINATION OF JOINT VENTURE AGREEMENT

Your Company had entered into Joint Venture Agreement with M/s. A.W. Faber-Castell GmbH & Co., Germany, for formation of three Companies. Except A.W. Faber Castell (India) Ltd., a Company formed to market certain Stationery and Art Material products, in which your Company holds 26% shares, your Company withdrew

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from Joint Venture, even before the other two Companies were formed.

Soon after the aforesaid Joint Venture Company became operative, the Management realised that continued participation of your Company in the said Company may lead to conflict of business interests and adversely affect the market of own products. Joint Venture Agreement was accordingly terminated by both the parties, with effect from 30th November, 1997. Upon completion of necessary formalities of the Government of India and Reserve Bank of India, the Company shall realise its investment in the said Company.

DIRECTORS

With effect from 26th July, 1998, Mr. M.L. Apte relinquished his Office on account of other pre-occupations. Your Directors wish to place on record their sincere appreciation of the services rendered by Mr. M.L. Apte during his tenure as a Director of the Company.

The Board has, in the casual vacancy caused by the resignation of Mr. M.L. Apte, at its Meeting duly held, appointed Mr. A.S. Dandekar, President (Pharmaceutical & Fine Chemical Divisions) as Director of the Company with the designation of 'President (Pharmaceutical and Fine Chemical Divisions) and Executive Director'.

You are requested to approve his appointment on the terms and conditions as set out in the Explanatory Statement.

You are requested to appoint Mr. M.P. Khedkar, Mr. P.A. Narvekar and Mr. S.S. Shirgaokar, Directors of the Company, who retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

The retiring Auditors, B.K. KHARE & CO., Chartered Accountants, Mumbai, being eligible have given their consent for re-appointment for the year 1998-99. You are requested to appoint them.

LABOUR RELATIONS

During the year, an Agreement valid upto 31st December, 1999 effecting revision in wages and service conditions

of employees at Andheri Establishment was executed with the representatives of workmen union.

Negotiations with workmen of Tarapur Establishment for new agreement which expired on 31st March, 1998 are in progress and it is hoped that an amicable settlement would emerge.

Relations with the employees at all levels remained cordial, during the year under review.

AUDITORS' REPORT

As regards Auditors' remarks in their Report with reference to the provision of liability by the Company in respect of Retirement benefits by way of Leave Encashment and Gratuity, Notes at No.xi (a & b) under Schedule 22 to the Accounts are self-explanatory on the respective matters.

GENERAL

Statement giving particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956, read with Rules thereunder is given in Annexure 'A' forming part of this Report.

As required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure 'B' forming part of this Report.

Your Directors wish to place on record their appreciation of the wholehearted and sincere co-operation the Company has received from Employees, Bankers, Financial Institutions, Customers and Suppliers.

For & On behalf of the Board

S.D. DANDEKAR
Executive Chairman

Panhala (Kolhapur)

Dated : 25th July, 1998.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information as per Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975, annexed to and forming part of the Directors' Report for the year ended 31st March, 1998.

| Sr. No. | Name | Age | Qualification | Experience | Date of Employment | Designation/ Nature of Duties | Gross Remuneration (Rs.) | Previous Employment & Designation |
|---------------|-------------------------|-----|---|------------|--------------------|---|--------------------------|--|
| Part A | | | | | | | | |
| 1. | DANDEKAR A. S. | 35 | B.A. Studied Business Admn. in USA | 7 | 01/08/90 | President Pharmaceutical & Fine Chemical Divns. | 552913 | — |
| 2. | DANDEKAR C.T. | 49 | B.Sc | 27 | 01/01/70 | Sr.Gen. Manager R&D & Materials (A.M. Divn.) | 519979 | R & D Manager Camlin N. S. Malaysia (8 Years) |
| 3. | DANDEKAR D. D. | 46 | G. C. D. | 27 | 01/08/70 | Joint Managing Director | 659072 | — |
| 4. | DANDEKAR D. M. | 40 | B. Com. | 13 | 01/10/84 | Executive Director | 592446 | — |
| 5. | DANDEKAR R. M. | 43 | B.Sc.(Hons) M. B. A. | 20 | 01/07/78 | Joint Managing Director | 547377 | — |
| 6. | DANDEKAR R.S.(MRS.) | 54 | B.A. | 29 | 01/01/69 | Vice President Marketing (A.M. Divn.) | 473121 | — |
| 7. | DANDEKAR S. D. | 59 | B.Sc.(Hons) M.R.C.S(Tech) Glasgow (U.K) | 38 | 01/05/59 | Executive Chairman | 745223 | — |
| 8. | DANDEKAR S. S. | 37 | M. Sc. M.B.A. | 14 | 01/07/83 | Executive Director | 566327 | — |
| 9. | DESAI R.R. | 43 | M.Sc | 19 | 13/06/94 | General Manager Marketing (Pharma Divn.) | 450079 | Sales Manager Concept Pharmaceuticals Ltd.(6 years) |
| 10. | DESHPANDE U.R. | 45 | B.Sc, M.LS L.L.B., C.P.P.C | 24 | 06/01/97 | Gen.Manager HRD & Admn. (A.M. Divn.) | 403865 | Divisional Manager (HRD & Admn.) S.K.F. Bearing India Ltd. |
| 11. | LODAYA M.Z. | 35 | B.S.M.E (U.S.A.) | 9 | 06/07/92 | General Manager Sales & Marketing (A.M. Divn.) | 421182 | Dy.Manager (Marketing) Tata Exports Ltd. (3 Years) |
| 12. | PURANIK D.R | 45 | B.Com(Hons.), FICWA, M.B.A. - FINANCE (JBIMS) | 25 | 18/04/94 | General Manager Corporate Finance | 418002 | Sr. Manager Finance Suhail & Saud Bahwan, Bahwan Automotive Centre Muscat, OMAN (4 years) |
| 13. | Dr. RAJADHYAKSHA M. N. | 44 | M.Sc., P H D | 17 | 12/09/94 | General Manager Technical (Fine Chem. Divn.) | 437811 | R&D Manager FDC Ltd, (5 Yrs.) |
| 14. | Dr. (MRS.) RANADE S. C. | 40 | M.S.D.O.R.L. | 5 | 18/10/94 | Manager Medico Marketing (Pharma Divn.) | 320571 | Manager Medical Services Concept Pharma Ltd. (1 Yr & 6 Months) |
| 15. | SATHE G. J. | 55 | B.A., LL.B. | 38 | 01/02/60 | General Manager Legal (A.M. Divn.) | 325024 | — |