

Camlin



*53rd Annual Report
1999-2000*

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Camlin

L I M I T E D



BOARD OF DIRECTORS

Mr. S.D. Dandekar	—	Executive Chairman
Mr. D.D. Dandekar	—	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
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.

COMPANY SECRETARY

Ms. Lorna D'cunha

AUDITORS

M/s. B.K. Khare & Co.
Chartered Accountants
Mumbai.

BANKERS

Bank of Maharashtra
The United Western Bank Ltd.

REGISTRARS & TRANSFER AGENTS

M/s. Sharepro Services
Unit: Camlin Limited
Satam Estate, 3rd Floor,
Cardinal Gracious Road,
Chakala, Andheri (E),
Mumbai 400 099.

Contents	Page No.
Notice	2
Directors' Report	5
Auditors' Report	9
Balance Sheet	12
Profit & Loss Account	13
Schedules to Accounts	14
Cash Flow Statement	28
Subsidiary Company	30
Camlin International Limited	

Camlin**NOTICE**

NOTICE is hereby given that the 53rd Annual General Meeting of the Members of Camlin Limited, will be held on Tuesday, the 29th August, 2000 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, 2000 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. S. E. GODBOLE**, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of **MR. M. P. KHEDKAR**, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of **MR. P. A. NARVEKAR**, 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 the consent of the Company be and is hereby accorded in terms of Section 293 (1)(d) and other applicable provisions of the Companies Act, 1956, if any, to the Board of Directors of the Company for borrowing from time to time, as they may deem fit, any sum or sums of monies which together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Share Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 100 Crores."

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

"RESOLVED THAT consent of the Company, be and is hereby accorded in terms of Section 293(1)(a) and other

applicable provisions, if any, of the Companies Act, 1956, for mortgaging and/or charging by the Board of Directors of the Company of all immoveable and moveable properties of the Company or any part thereof in such form and manner as may be stipulated by the Banks/Financial Institutions (hereinafter called the 'Lenders') in consultation with the Company, wheresoever situate present and future and the whole of the undertaking of the Company, and/or conferring power to enter upon and to take possession of the assets of the Company in certain events to or in favour of them, for securing term loans/borrowings upto Rs.100 Crores, which the Lenders may sanction to the Company from time to time, together with interest at an agreed rate, additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the Lenders in terms of Agreements to be entered into by the Company in respect of the said term loans/borrowings.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to finalise with the Lenders, the documents for creating the aforesaid mortgages and/or charges and to do all such acts and things, as may be necessary from time to time, for giving effect to this Resolution."

Regd. Office:
'Camlin House'
J.B. Nagar,
Andheri (East),
MUMBAI 400 059.

By Order of the Board

LORNA D'CUNHA
Company Secretary

Dated : 4th July, 2000

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 Explanatory Statement as required under section 173(2) of the Companies Act, 1956 in respect of the business referred to under Item Nos.7 and 8 (both numbers inclusive) is annexed hereto.
3. The Register of Members and Share Transfer Books will remain closed from 17th August, 2000 to 29th August, 2000 (both days inclusive).
4. The Dividend when sanctioned will be paid on or before 9th October, 2000 to those shareholders whose names stand on the Register of Members on 29th August, 2000. Members are requested to notify immediately their change

of address, if any to the Company's Registrars and Share Transfer Agents (R&T Agents) M/s. Sharepro Services, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099.

5. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, all dividends which remained unpaid or unclaimed upto the financial year ended 31st March, 1995, 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.

Members who have not encashed the dividend warrants for the financial years ended 31st March 1997 and thereafter are requested to submit their claims to the Company's R&T Agents.

6. The Shares of the Company are listed with Mumbai, Delhi, Chennai, Ahmedabad and Pune Stock Exchanges. The Company has paid Listing fees for the year 2000-2001 to the above Stock Exchanges.

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ANNEXURE FORMING PART OF THE NOTICE EXPLANATORY STATEMENT

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

SPECIAL BUSINESS:

ITEM NO. 7:

Section 293(1)(d) of the Companies Act, 1956, provides that the Board of Directors shall not borrow monies in excess of the Company's Paid-up Share Capital and free Reserves, except with the consent of the members in General Meeting. Increased limit of Rs.100 Crores proposed under the resolution against present limit of Rs. 50 Crores is considered adequate for the time being for meeting future requirements.

The Board of Directors recommends the resolution for your approval.

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

ITEM NO. 8:

Section 293(1)(a) of the Companies Act, 1956, provides inter alia that the Board of Directors of the Company, shall not without consent of the members in General Meeting, sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the Company.

For meeting growing needs for Working Capital and Capital Expenditure, the Company may be required to approach the

Banks/Financial Institutions for sanction of loans. As a security, the Company may also be required to create Mortgage/Charge on Fixed Assets in favour of the said Banks/Financial Institutions. Since mortgaging and/or charging by the Company all its immoveable and moveable properties or part thereof, may be deemed to be disposal of the Whole or substantially the Whole of undertaking of the Company within meaning of Section 293(1)(a) of the Companies Act, 1956, the consent of the members is required. Increased limit of Rs.100 Crores proposed under the resolution against present limit of Rs. 50 Crores is considered adequate for the time being for meeting future requirements.

The Board of Directors recommends the resolution for your approval.

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

Regd.Office:
'Camlin House'
J.B. Nagar,
Andheri (East),
MUMBAI 400 059.

Dated : 4th July, 2000.

By Order of the Board

LORNA D'CUNHA
Company Secretary

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting herewith 53rd Annual Report and Audited Statements of Account for the Financial Year ended 31st March, 2000.

FINANCIAL RESULTS :

	(Rs. in Lacs)	
	1999-2000	1998-1999
Profit Before amortisation of VRS Cost & Tax	258.10	262.48
Less: Amortisation of VRS Cost	43.87	—
	214.23	262.48
Less: Provision for Tax	25.00	28.00
Balance Available	189.23	234.48
Add / (Less) Adjustments for earlier Years (Net)	8.05	(1.61)
	197.28	232.87
Balance brought forward from last year	235.87	219.60
	433.15	452.47
Transferred to :		
Debenture Redemption Reserve	125.00	125.00
Proposed Dividend	60.00	60.00
Corporate Dividend Tax	13.20	6.60
General Reserve	25.00	25.00
Balance Carried Forward	209.95	235.87
	433.15	452.47

DIVIDEND :

The Directors are glad to recommend dividend at the rate of Rs. 2.50 per Share on 24,00,000 Equity Shares of Rs.10/- each, for the year ended 31st March, 2000. Dividend if approved at the forthcoming Annual General Meeting, will be paid to those Shareholders, whose names appear on the Register of Members of the Company as on 29th August, 2000.

REVIEW OF OPERATIONS :

Your Company has achieved sales turnover of Rs. 16051.07 Lacs for the year under review against Rs.14514.43 Lacs in the previous year, thus registering rise by 10.59%. Export turnover for the year was substantially higher at Rs. 1403.81 Lacs against Rs. 838.62 Lacs in the previous year showing increase by 67.40%. However, on account of increase in cost of inputs, finance charges and employees cost mainly arising out of Voluntary Retirement Scheme, Profit after tax for the Current Year at Rs. 189.23 Lacs is lower by 19.30% against the previous year's profit of Rs. 234.48 Lacs. Your Directors hope that alongwith cost control measures already initiated, various steps

taken for restructuring operations will bear positive results during the year.

SUBSIDIARY COMPANY :

As required under Section 212 of the Companies Act, 1956, the Audited Statements 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, 2000 are annexed.

FINANCE :**Loans :**

For financing normal capital expenditure, Voluntary Retirement Scheme (VRS), and augmenting long term working capital sources, your Company raised through loans a sum of Rs. 825 Lacs from Industrial Development Bank of India and Bankers.

Deposits :

During the year, Company has accepted deposits from the Public. Deposits amounting to Rs. 5.69 Lacs remained unclaimed on maturity. Out of these, deposits amounting to Rs. 2.56 Lacs have been renewed/repaid as on date.

VOLUNTARY RETIREMENT SCHEME (VRS) :

To reduce the overhead Costs and to enhance the competitive edge, your Company for the first time, introduced Voluntary Retirement Scheme (VRS) resulting in separation of 162 employees during the financial year under review. As a result, employee base was pruned by 12%. The total one time expenditure of Rs. 492.85 lacs on account of VRS will be written off in sixty months. Out of this Rs. 43.87 lacs are written off from the operating profits for the Year 1999-2000. This will enable your Company to benefit from lower costs from the current year onwards.

INTRODUCTION OF ERP SYSTEM :

In order to meet the challenges of today's fast paced business environment and with a view to respond quickly and effectively to customer needs and seize market opportunities as they arise, your Company has embarked on the implementation of Enterprise Resource Planning (ERP) package of world class standard which will become functional by the end of December, 2000. ERP shall make possible for the Company to have seamless integration of all business activities and improve the quality of people, products and processes.

DIRECTORS :

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

Camlin**EMPLOYEE RELATIONS :**

Negotiations for new agreement with the workmen of Andheri Establishment in place of the agreement which expired on 31st December, 1999 is 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 :

The retiring Auditors, B.K. KHARE & CO., Chartered Accountants, Mumbai, being eligible have given their consent for re-appointment for the year 2000-2001. You are requested to appoint them.

DEPOSITORY SYSTEM :

Your Company has entered into an Arrangement with the National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDS) for joining the Depository System. With this, the members have the option to hold their demat shares in the Company through the NSDL or CDS. SEBI has made it compulsory for all investors to trade in the shares of the Company in dematerialised form, which will however be effective from 24th July, 2000.

STATUS OF YEAR 2000 (Y2K) PREPAREDNESS :

The proactive steps taken by the Company ensured that there was no disruption to its Computer System at the time of roll over to the Year 2000.

GENERAL :

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 is annexed.

Information on particulars of Employees' Remuneration as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended upto date, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all Shareholders of the Company, excluding the Statement of Particulars of Employees' Remuneration. Any Shareholder interested in obtaining a copy of the Statement, may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGEMENT :

Your Directors wish to express their gratitude to the shareholders, depositors, debentureholders, bankers, financial institutions and the customers for their active support and patronage. We also wish to acknowledge the spirit of dedication, commitment and co-operation extended by employees at all levels.

For & On behalf of the Board

S. D. DANDEKAR
Executive Chairman

Mumbai
Dated : 4th July, 2000

ANNEXURE TO DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Board of Directors' for the year ended 31st March, 2000.

A. CONSERVATION OF ENERGY**(a) Energy conservation measures taken :**

Though the Company's power and fuel bill is not substantial, wherever possible, efforts were made during the year, to ensure reduction of electricity and fuel consumption at plants.

(b) Additional Investment and proposals, if any being implemented for reduction of consumption of energy :

No additional investments are envisaged. However, proposals to introduce improved operational methods, rationalisation and better methods of lighting, aimed to save consumption of power and fuel, are under consideration.

(c) Impact of the above matters :

As a result of measures taken/to be taken, enumerated in (a) and (b) above further economy in conservation of energy coupled with reduction in cost of production shall be possible.

FORM A

Form of disclosure of particulars with respect to conservation of energy
(Applicable in respect of Bulk Drug activities only)

(A) Power and Fuel Consumption**1. Electricity****(a) Purchased**

Units (KWH)

Total Amount (Rs. in Lacs)

Rate/Unit (Rs.)

(b) Own Generation**2. Coal****3. Light Diesel Oil (LDO)**

Quantity (K.Ltrs.)

Total Amount (Rs. in Lacs)

Average Rate per Ltr. (Rs.)

4. Others/Internal Generation**(B) Consumption per Unit of production (M.T.)**

Electricity (KWH)

LDO (Ltr.)

1999-2000	1998-1999
88969	116687
3.92	5.16
4.41	4.42
—	—
—	—
29.69	47.98
3.75	4.87
12.62	10.14
—	—
Standards (If any)	
2483	3218
829	1323

B. TECHNOLOGY ABSORPTION**FORM B**

Form for disclosure of particulars with respect to absorption

Research and Development (R & D)**1. Specific areas in which R&D carried out by the Company**

: New product development Process development.

2. Benefits derived as a result of the above R & D

: Cost reduction Quality upgradation Development of new markets.

Camlin

3. Future plan of action

: Future plan of action envisages acceleration in the process of development already set in motion and undertaking more process development work for Bulk Drugs, Chemicals and other products, aimed to achieve cost reduction, and improvement in quality.

(Rs. in Lacs)

4. Expenditure on R&D :

- (a) Capital
(b) Recurring
(c) Total

(d) Total R&D Expenditure as a percentage of total turnover

1999-2000	1998-1999
19.24	21.27
50.03	43.87
69.27	65.14
0.43	0.45

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts made towards Technology Absorption, Adaptation and Innovation : The Company's R&D Laboratory is recognised by the Department of Scientific & Industrial Research, Govt. of India, where continuous efforts are made to innovate new products and improve the quality of Stationery, Industrial Adhesives, Art Material, Bulk Drugs, Chemicals and Pharmaceutical products manufactured/procured by the Company, and to make the manufacturing process less hazardous and time saving.
- Benefits derived as a result of the above efforts, e.g. product development, import substitution, etc. : Technology, innovations and improvements undertaken at the Laboratory scale have been successfully absorbed at plant level. These efforts shall benefit the Company in increasing sales, reducing cost, and improving quality and scale of the production.
- Technology Import : N. A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans :

Exports of Fine Chemicals and Bulk Drugs increased from Rs. 688.81 Lacs in 1998-1999 to Rs. 1206.18 Lacs in 1999-2000, registering a growth of 75% over previous year. While, exports of Consumer Products comprising of Art Materials and hobby Colours, Writing and Marking Instruments, Adhesives, Inks etc have also increased from Rs. 149.81 Lacs in 1998-1999 to Rs. 197.63 Lacs in 1999-2000 posting a growth of 31.92%. The Company participated in International exhibitions held in Europe and has also appointed agents and resident representatives in Europe, Africa, Latin America and other countries.

For maintaining growth in exports the Company shall continue to participate in International exhibitions and also broaden the distribution network in existing as well as new markets having export potentials.

- Total Foreign Exchange used and earned:

Foreign exchange used
Foreign exchange earned

Year ended 31.03.2000 (Rs. in Lacs)	Year ended 31.03.1999 (Rs. in Lacs)
701.41	642.91
1432.64	863.54

For & On behalf of the Board

S.D. DANDEKAR
Executive Chairman

Mumbai

Dated : 4th July, 2000

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of Camlin Limited as at 31st March, 2000, and also the Profit & Loss Account of the Company for the year ended on that date, annexed thereto and report that :

- A. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in para 4 and 5 of the said Order.
- B. Further to our comments in the Annexure referred to in Paragraph A above, we report that :
- (1) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - (2) 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
 - (3) The Balance Sheet and Profit & Loss Account dealt with by the Report are in agreement with the books of account.

- (4) In our opinion, the profit and loss account and balance sheet comply, in all material respects, with the Accounting Standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956.
- (5) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with 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 Balance Sheet, of the state of the Company's affairs as at 31st March, 2000 and
 - (ii) in the case of the Profit & Loss Account of the Profit of the Company for the year ended 31st March, 2000.

For B.K. KHARE & COMPANY
Chartered Accountants

D.P. BAPAT
Partner

Mumbai
Dated : 4th July, 2000

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