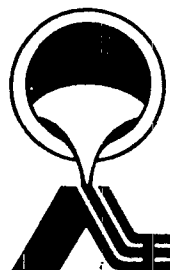


**ANNUAL
REPORT
& ACCOUNTS
1996-97**

Report  junction.com



AMBUJA ELECTROCASTINGS LTD.

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



BOARD OF DIRECTORS

Sri Durga Prasad Gupta, Chairman
Sri Gopi Krishan Gupta, Mg. Director
Sri Raja Ram P. Vaidya

SECRETARY

Sri R.P. Saraf

AUDITORS

M/s P. Agrawal & Co.
Chartered Accountants,
Sri Krishna Nagar,
PATNA -- 800 001

BANKERS

Bank of India, Patna

REGISTERED OFFICE

"AMBUJA HOUSE"
297, Patliputra Colony,
Patna - 800 013

WORKS

NASRIGANJ
PATNA - 800 012

MALERKOTLA
DIST. SANGROOR, PUNJAB

AMBUJA ELECTROCASTINGS LIMITED

ANNUAL REPORT 1996-97

NOTICE

Notice is hereby given that Eighth Annual General Meeting of Members of the company will be held at "AMBUJA HOUSE", 297, Patliputra Colony, Patna - 800013 at 10.30 a.m. on Monday, the 29th, September 1997 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt Balance Sheet as at 31.3.97 and Profit & Loss Account for the year ended on that date together with Directors' Report and Auditors' Report thereon.
2. To appoint Director in place of Sri Durga Prasad Gupta, who retires by rotation, but being eligible offer himself for reappointment.
3. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

1. To Pass the following resolution, as a Ordinary Resolution, if thought fit with or without modifications.
"Resolved that interim dividend @ 11% amounting to Rs. 6758052/- (subject to deduction of tax) declared by Board of Directors of the Company in its meeting held in March 1995 and treated as final dividend by the Members of the Company in 6th Annual General Meeting held on 27th September 1995 be and is hereby withdrawn and revoked and would not be payable to members who were entitled to receive the dividend."

By Order of Board
R.P. Saraf
Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT PROXY INSTEAD OF HIMSELF/HERSELF TO ATTEND AND TO VOTE AT THE MEETING AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form must be deposited with the company at least 48 hours before the scheduled time of the meeting.
3. Register of members will remain closed from 23.9.97 to 29.9.97 (both days inclusive)
4. Members are requested to intimate the company regarding change in their address quoting folio numbers.
5. Shareholders who are holding shares in identical order of names in more than one folio are requested to write to the company enclosing certificates to enable the company to consolidate holding in one folio.

EXPLANATORY STATEMENT REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Board of Directors of the Company had declared in March, 1995 interim dividend @ 11% i.e. Rs. 1.10 per share and prorata on new shares allotted in Right Issue amounting to Rs. 67,58,052/- (subject to deduction of tax) for the year 1994-95 based on the profits earned by the company upto December 1994. This interim dividend was declared as Final dividend for the year 1994-95. Company earned profit before tax Rs. 183.81 lacs during 1994-95 but due to non availability of fund, company could not pay the dividend to shareholders during the year 1995-96 as profit before tax reached at a very low level of Rs. 14.13 lacs compared to Rs. 183.81 lacs in the previous year. Company has suffered a loss of Rs. 129.19 lacs in 1996-97.

Company is still not in position to pay the dividend. Auditors of the Company have already mentioned this fact in their note no. 22 of Notes on Accounts forming part of Accounts for 1994-95 and note no. 24 of Notes on Accounts for the year 1995-96. The Board of Directors in its meeting held on 02.09.1997 decided to revoke the dividend declared by the members and it would not be payable to members who were entitled to receive the same.

No Director is interested in the resolution.

DIRECTORS' REPORT

Your Directors present their Report and Audited Accounts of the company for the year ended 31.03.97.

FINANCIAL RESULTS

	Year Ended 31-03-97	(Rs. in Lakhs) Year Ended 31-03-96
Profit before interest, depreciation and tax	64.99	199.50
Less i. interest	111.91	50.72
ii. depreciation	82.27	54.45
(Loss)/ Profit before Tax	(129.19)	14.33
Provision for Taxation	—	0.59
(Loss)/ Profit after Tax	(129.19)	13.54
Less/Add Balance brought forward from previous year	273.84	260.30
Balance carried to Balance Sheet	144.65	273.84

DIVIDEND

Your directors express their inability to recommend any dividend for the year due to inadequacy of profits during the year under review.

REVIEW OF OPERATIONS

Due to paucity of working capital, net sales was Rs. 1465.74 lacs against Rs. 2057.11 lacs in previous year. Company has suffered a loss of Rs. 129.19 lacs mainly due to interest and power and fuel expenses. Interest and Power & Fuel for the year 1996-97 are Rs. 111.91 lacs and Rs. 268.32 lacs as against Rs. 50.72 lacs and 161.69 lacs respectively in the previous year.

AMBUJA ELECTROCASTINGS (NEPAL) LTD. : - SUBSIDIARY COMPANY

Due to political uncertainty in Nepal and non viability of the plant, the Board of Directors of subsidiary company decided to sell off the plant and the company has executed agreement with Ganesh Bhakht Shakh, Kathmandu (Nepal) in January 1997 to sell off complete plant at a consideration of Nepalese Rs. 1,63,20,001 and adjustment in respect of investment made by holding company will be made in this year.

PUNJAB UNIT

Capacity utilisation of Punjab unit was very low due to frequent breakdown of Plant & Machinery. Efforts are being made to improve efficiency of Punjab unit.

FORFEITURE OF SHARES

Company had allotted 96,72,000 Equity Shares of Rs. 10/- each in respect of Right Issue in January 1995. These Equity Shares were issued at premium of Rs. 8/- per share. Rs. 6/- per share was payable on account of allotment money and also First and Final Call money. On 44,11,995 Equity Shares allotment money/ First and Final Call money has not been paid by shareholders inspite of repeated reminders including final notices sent by registered post.

The Board of Directors will take necessary action very shortly to forfeit these shares for non-payment of allotment money and first and final call money.

PARTICULARS OF EMPLOYEES

There was no employee who received remuneration of Rs. 3.00 lakhs or more per annum, hence no particulars have been given.

AMBUJA ELECTROCASTINGS LIMITED

ANNUAL REPORT 1996-97

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to provisions of Section 217(1) of the Companies Act, 1956 read with companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 statement showing particulars of conservation of energy has been annexed hereto and forms part of this report.

DIRECTORS

Sri Durga Prasad Gupta, Director of the Company retires at the ensuing Annual General Meeting, but being eligible, offers himself for reappointment.

Sri Pawan Kumar Gupta, Director of the Company has resigned from the Board w.e.f. 17.06.97 and nomination of Sri P.R. Roy has been withdrawn by Bihar State Credit & Investment Corporation. He ceases to be a director w.e.f. 25.08.97. Your Directors place on record their appreciation of their valuable counsel provided by them during their tenure of office.

AUDITORS

M/S P. Agrawal & Co., Chartered Accountants retire at the ensuing Annual General Meeting, but being eligible, offer themselves for reappointment.

APPRECIATION

Your Directors wish to place on record their appreciation of the support and contribution made by the employees towards the operation of the company. Your Directors also wish to place on record their appreciation for support given by Bank of India and financial institutions during the year under review.

For and on behalf of Board of Directors

Patna

Date: 02 - 09 - 97

D.P. GUPTA
Chairman

Report  junction.com

ANNEXURE TO DIRECTORS' REPORT

FORM 'A'

1. POWER AND FUEL CONSUMPTION

	Year Ended 31-03-97	Year Ended 31-03-96
A. Power & Fuel Consumption		
Electricity		
Purchased Units	6275280	6319920
Total amount Rs. (excluding AMG.)	18131022	17130038
Rate/Unit Rs.	2.89	2.71
B. Consumption per unit of production		
M.S. Ingots	10278 MT	12044
Rounds & Rods	3823 MT	761
Electricity Unit/MT	445	494

FORM 'B'

No new technology either foreign or indigenous was involved in the manufacturing process.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1. Name of the subsidiary company : Ambuja Electrocastings (Nepal) Ltd.
2. Financial year of the company ended on : 15-07-96
3. Shares held in the Subsidiary Company on the above date :-
 - i. Number - Equity : 336000
 - ii. Extent of holding : 93.33%
4. The net aggregate of profits less losses of the subsidiary companies as far as it concerns the members of the Holding Company :-
 - i. Not dealt with in the Holding Company's Accounts :
 - a. For the Financial year of the the subsidiary :
 - b. For the previous financial years since it became the Holding Company's Subsidiary : 45151 (NC)

For and on behalf of Board of Directors

D.P. GUPTA
Chairman

Patna
Date: 02 - 09 - 97

AUDITORS' REPORT TO THE SHARE HOLDERS

To,

The Members of

AMBUJA ELECTROCASTINGS LIMITED

We have audited the attached Balance sheet of "AMBUJA ELECTROCASTINGS LIMITED" as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:-

1. As required by the Manufacturing and Other Companies (Auditor's 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 paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph (1) above :-
 - a) 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.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to note no. A(h)-regarding non provision of Gratuity, note no. 4 - regarding transfer of raw materials to other goods(traded) note no. 5-regarding other goods traded, note no. 7-regarding provision of interest, note no. 10-regarding registration of immovable properties, note no. 14-regarding diminution in value of some of the quoted investments, note no. 15-regarding balance confirmation of various accounts, note no. 16-regarding calls-in-arrear, note no. 17-regarding additions/ payments of plant & machinery, note no. 18-regarding adjustment of PESU's advances, note no. 19-regarding transfer of dividend amount to a separate bank account, note no. 20-regarding incorporation of unit's accounts, note no. 23-regarding transfer of investments in shares of notes on accounts and other notes appearing 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 Affairs of the Company as at 31st March, 1997.
 - ii) In the case of Profit & Loss Account of the loss for the year ended on that date.

For P. AGRAWAL & CO.
Chartered Accountants
(P.K. Agrawal)
Partner

Patna

The 2nd day of September, 1997

ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF AMBUJA ELECTROCASTINGS LIMITED FOR THE YEAR ENDED 31ST MARCH 1997.

- i) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies have been noticed on such verification.
- ii) None of the fixed assets have been revalued during the year.
- iii) The stock of finished goods, stores, spare parts and raw materials have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- iv) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- v) The discrepancies noticed on physical verification of stocks as compared to book records were not material and the same have been properly dealt with in the books of account.
- vi) In our opinion, the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vii) The Company has not taken any loans from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.
- viii) The Company has granted loans to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or to the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956. The rate of interest and other terms and conditions of which are not prima facie prejudicial to the interest of the Company.
- ix) The parties to whom loans and advances in the nature of loans have been given by the Company are generally repaying the principal amounts as stipulated and are also generally regular in the payment of the interest where applicable.
- x) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
- xi) In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which, in our opinion, are reasonable having regard to prevailing market price of such goods, materials or services or the prices at which similar transactions have been made with other parties.
- xii) Unserviceable and damaged stores, raw materials and finished goods have not been determined by the Company, hence provision for the loss, if any, has not been made in the account.