

ANNUAL REPORT 1997

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



Gandhimathi Appliances Limited



GANDHIMATHI APPLIANCES LIMITED

Board of Directors

Mr. V. MURUGESA CHETTIAR (Chairman)

Mr. V. M. BALASUBRAMANIAM (Managing Director)

Mr. V. M. GANGADHARAN (Wholetime
Executive Director)

Mr. V. M. LAKSHMINARAYANAN

Mr. V. M. SESHADRI

Mr. V. M. KUMARESAN

Mr. V. R. SIVARAMAN

Mr. V. K. PADMANABHAN

SECRETARY

Mr. D. KRISHNAMURTHY.

Auditors

M/s RUDHRAKUMAR ASSOCIATES

Chartered Accountants, Chennai - 17.

Bankers

State Bank of Travancore

The South Indian Bank Limited

Registered Office:

VANDALUR- KELAMBAKKAM ROAD

143, PUDUPAKKAM VILLAGE

KELAMBAKKAM - 603 103.

KANCHEEPURAM DISTRICT

TAMIL NADU.

Share Registrars

M/s. GNSA Investor Services (P) Ltd.,

No.66, IV Avenue, Ashok Nagar,

Chennai - 600 083.

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Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting, since the same will not be distributed at the meeting as a measure of economy. No sweets or compliments will be distributed to the Members at the Meeting Hall, in keeping with the Government of India guidelines.

*"A customer is the most important visitor on our premises.
He is not dependent on us. We are dependent on him.
He is not an interruption on our work.
He is the purpose of it.
He is not an outsider on our business.
We are not doing him a favour by servicing him. He is
doing us a favour by giving us an opportunity to do so."*

— Mahatma Gandhi

"WE AT BUTTERFLY SHALL CONTINUE
TO CEASELESSLY WORK TOWARDS THIS OBJECTIVE"



GANDHIMATHI APPLIANCES LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Eleventh Annual General Meeting of the Company will be held at the Company's Registered Office at Vandalur - Kelambakkam Road, 143, Pudupakkam Village, Kelambakkam -603 103, Kancheepuram District, Tamil Nadu, on Monday, 29th September 1997 at 10 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss account for the year ended 31st March 1997 together with the Balance Sheet as at that date and Reports of the Directors thereon.
2. To appoint a Director in place of Mr. V.M. Kumaresan, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. V.R. Sivaraman, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. V.K. Padmanabhan, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

Chennai - 600 018.
14th August 1997

By order of the Board
D. KRISHNAMURTHY
Secretary

NOTES :

1. 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. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th to 29th September, 1997 (both days inclusive).
3. Members are requested to immediately intimate any change in their address registered with the Company to the Registrars and Share Transfer Agents, M/s. GNSA Investor Services (P) Ltd., No.66, IV Avenue, Ashok Nagar, Chennai - 600 083.
4. Members/Proxies should bring the attendance slip sent herewith, duly filled in and signed and hand over the same at the entrance of the Meeting Hall.
5. Shareholders are requested to bring their copies of the Annual Report for the meeting.
6. Members are requested to quote their Folio Number in all their correspondence.



GANDHIMATHI APPLIANCES LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

The Directors have pleasure in presenting this Eleventh Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 1997.

FINANCIAL RESULTS :

	(Rs. in lakhs)	
	For the year ended 31st March 1997	For the year ended 31st March 1996
Profit before Taxation	124.18	61.66
Taxation	---	25.97
Profit after Taxation	124.18	35.69
Prior period adjustments	(15.49)	
Balance brought forward from previous year	57.61	50.38
Previous year dividend unpaid	28.46	---
Carry forward of balance in Profit and Loss Account to Balance Sheet	194.76	86.07

DIVIDEND :

Despite severe market competition, the Company has been able to achieve a higher turnover and a higher profit after tax of Rs. 124.18 lakhs. However, taking into account the need based additional working capital requirements of the Company and liquidity, in order to meet the enhanced production levels, your Directors feel, as you would all agree, in the financial interest of your Company the available resources could be conserved.

CURRENT TREND :

The current year started off on a healthy note with a 30% growth as compared to the corresponding period of the previous year. However, due to go slow process adopted by a section of the workmen, the production level at the factory has been affected.

Recently, some workmen have adopted unethical means and are trying to obstruct the normal functioning of the factory by preventing the entry of loyal workers. We are endeavoring to bring about normalcy and there is cause to believe that the situation is showing signs of improvement. And we are also vigilantly watching to minimise any adverse effect on performance this year.

DIRECTORS :

Mr. L.S. Sarma, Director resigned from the Board with effect from 30th August, 1996. Your Directors place on record their sincere appreciation of the valuable guidance and advice received by the Company from Mr. L.S. Sarma during the tenure of his office.

Messrs. V.M. Kumaresan, V.R. Sivaraman and V.K. Padmanabhan retire from the Board by rotation under the Company's Articles of Association and being eligible offer themselves for reappointment.



GANDHIMATHI APPLIANCES LIMITED

DIRECTORS :

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REPORT ON CERTAIN MATTERS PURSUANT TO SECTION 217 (1) (e) AND 217 (2A) OF THE COMPANIES ACT, 1956 ("the Act").

Particulars under Section 217 (1) (e) and 217 (2A) of the Act is given in Annexures "A" and "B" forming part of this Report.

INDUSTRIAL RELATIONS:

The current position in this regard has already been stated above in this report.

AUDITORS:

Messrs. Rudhrakumar Associates, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, have expressed their willingness to continue in office, if reappointed.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to thank, in particular, Industrial Development Bank of India Ltd., Industrial Reconstruction Bank of India, State Bank of Travancore and South Indian Bank Ltd., for the co-operation extended by them. Our thanks are also due to the suppliers, distributors, dealers and customers for their continued support so far and we hope it will increase by leaps and bounds in the years to come.

Chennai - 600 018.

14th August 1997.

for and on behalf of the Board

V. MURUGESA CHETTIAR

Chairman



GANDHIMATHI APPLIANCES LIMITED

ANNEXURE - 'A'

**ANNEXURE TO THE DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 1997**

STATEMENT PURSUANT TO SECTION 217 (1) (e) of the Companies Act, 1956 and forming part of the Directors' Report.

A. CONSERVATION OF ENERGY**FORM A****POWER AND FUEL CONSUMPTION**

Electricity :		Previous Year
a. Purchased Units	5,77,393	3,94,009
Total Amount	27,73,990	Rs.14.61 lakhs
Rate / Unit	Rs. 4.80	Rs. 3.70
Own Generation		
Through Diesel Generator		
Units	43,680	36,640
Cost / Unit	Rs. 4.85	Rs. 4.95

B. RESEARCH AND DEVELOPMENTS

- Specific areas in which R & D carried out by the Company.
The Company lays emphasis on Research and Development for improvement in existing process for better productivity and development of new products.
- Benefit derived as a result of the above R & D on Production processes provides economy in cost of production.
- Future Plan of Action :**
Development of new Products in Domestic Appliances
- Expenditure on R & D :**

Capital	-	Nil
Recurring	-	1.19 lakhs
Total	-	1.19 lakhs
Total R & D Expenditure as percentage of Total Turnover	-	0.04 %


GANDHIMATHI APPLIANCES LIMITED
C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Considerable progress has been made in updating the technology in the process area. With regard to imported technology, the following information is furnished :

a.	Technology imported	-	Nil
b.	Year of Import	-	Nil
c.	Has technology been fully absorbed	-	N.A.
d.	If not fully absorbed, areas where they have not taken place, reason and future plan of action	-	N.A.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO :

a.	The Company is exploring foreign markets for its products	
b.	Foreign Exchange Earnings	- Nil
c.	Foreign Exchange outgo	- 2.94 lakhs

Chennai - 600 018.

14th August, 1997.

for and on behalf of the Board

V. MURUGESA CHETTIAR

Chairman.

GANDHIMATHI APPLIANCES LIMITED



ANNEXURE - 'B'

**Statement required under Section 217 (2A) of the Companies Act, 1956
annexed to and forming part of the Directors' Report for
the year ended 31st March 1997.**

S.No.	NAME	AGE	DESIGNATION	REMUNERATION RS.	QUALIFICATION	EXPERIENCE (Years)	DATE OF COMMENCE- MENT OF EMPLOYMENT	PREVIOUS EMPLOYMENT
01	V.M. Balasubramaniam	47	Managing Director	6,73,548	Matric	29	01.01.1993	Exe. Director Gangadharam Appliances Ltd.
02	V.M. Gangadharan	42	Executive Director	5,28,774	Matric	24	01.10.1994	Executive Vice - President Gangadharam Appliances Ltd.

Note : 1. Remuneration means Salary, House Rent Allowance and Commission.

2. Mr. V. M. Balasubramaniam and Mr. V.M. Gangadharan are related to Messers V. Muruges Chettiar,
V.M. Lakshminarayanan, V.M. Seshadri, and V. M. Kumaresan.

Chennai - 600 018.

Date - 14.08.97

For and on behalf of the Board
V. MURUGESA CHETTIAR
Chairman