

ANNUAL REPORT 1998

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RO	<input checked="" type="checkbox"/>			DIV	<input checked="" type="checkbox"/>
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Gandhimathi Appliances Limited





GANDHIMATHI APPLIANCES LIMITED

BOARD OF DIRECTORS

Mr. V. MURUGESA CHETTIAR (Chairman)

Mr. V. M. BALASUBRAMANIAM (Managing Director)

Mr. V. M. GANGADHARAM (Whole-time Executive Director)

Mr. V. M. LAKSHMINARAYANAN

Mr. V. M. SESHADRI

Mr. V. M. KUMARESAN

Mr. V. R. SIVARAMAN

Mr. V. K. PADMANABHAN

Mr. V. R. LAKSHMINARAYANAN

SECRETARY:

Mr. D. KRISHNAMURTHY

AUDITORS:

M/s. RUDHRAKUMAR ASSOCIATES
Chartered Accountants, Chennai - 17.

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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. 1 (II Floor), 52nd Street, 7th Avenue,
Ashok Nagar, Chennai - 600 083.

Members are requested to bring their copy of the Annual Report along with 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 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 Twelfth Annual General Meeting of the Company will be held at its Registered Office at Vandalur-Kelambakkam Road, 143, Pudupakkam Village, Kelambakkam - 603 103, Kancheepuram District, Tamil Nadu on Saturday, 26th September, 1998 at 11 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, 1998 together with the Balance Sheet as at that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.V.R.Lakshminarayanan, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr.V.Murugesu Chettiar, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr.V.M.Lakshminarayanan, 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

20th August, 1998

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 23rd to 26th September 1998 (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.1 (II Floor), 52nd Street, 7th 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. Members/Proxies are requested to bring their copies of the Annual Report to the meeting.
6. Members are requested to quote their folio number in all their correspondence.
7. The Company's equity shares are listed with Madras, Mumbai and Ahmedabad Stock Exchanges. The Company has paid the Annual Listing Fees to each of these Exchanges.



GANDHIMATHI APPLIANCES LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

The Directors have pleasure in presenting this Twelfth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS:

	For the year ended 31st March, 1998	(Rs. in lakhs) For the year ended 31st March, 1997
Profit before Taxation	64.51	124.18
Taxation	6.77	16.02
Profit after Taxation	57.74	108.16
Prior period adjustments	(4.02)	(15.49)
Balance brought forward from previous year	178.74	57.61
Proposed dividend written back	—	28.46
Carry forward of balance in Profit and Loss Account to Balance Sheet	232.46	178.74

DIVIDEND:

Taking into account the need-based additional working capital requirements of the Company and liquidity in order to meet the projected 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 economic scenario at present in India as well as in the East Asian Countries is bleak. However, the economists feel that conditions will improve before the end of this year. Reserve Bank of India and our Finance Ministry are taking necessary steps to stabilise the economic conditions in the country. Therefore, the Directors feel that the present sluggish market conditions will not prevail and are hopeful of achieving better results for the current year.

DIRECTORS:

Messrs.V.R.Lakshminarayanan, V.Murugesu Chettiar and V.M.Lakshminarayanan retire from the Board by rotation under the Company's Articles of Association and being eligible offer themselves for reappointment.

INDUSTRIAL RELATIONS:

A section of workers adopted go-slow tactics and resorted to other retrograde steps during the period April to August 1997. An amicable settlement was made during September 1997 and thereafter industrial relations remained cordial.



GANDHIMATHI APPLIANCES LIMITED

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.

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.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to thank in particular, Industrial Development Bank of India, Industrial Investment Bank of India, State Bank of Travancore and South Indian Bank for the co-operation extended by them. Our thanks are also due to the suppliers, distributors, dealers and customers for their continued support.

Chennai - 600 018

20th August, 1998

For and on behalf of the Board

V. MURUGESA CHETTIAR

Chairman

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GANDHIMATHI APPLIANCES LIMITED

ANNEXURE - A

**ANNEXURE TO THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR
ENDED 31st MARCH, 1998**

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:	CURRENT YEAR	PREVIOUS YEAR
(a) Purchased Units	6,87,926	5,77,393
Total Amount	Rs.28,42,812	Rs. 27,73,990
Rate/Unit	Rs. 4.13	Rs. 4.80
(b) Own Generation		
Through Diesel Generator		
Units	53,862	43,680
Cost/Unit	Rs. 5.20	Rs. 4.85

B. RESEARCH AND DEVELOPMENT:

1. Specific areas in which R & D carried out by the Company:

The Company lays emphasis on Research and Development for improvement in existing processes for better productivity and development of new products.

2. Benefits derived as a result of the above R & D on production processes provides economy in cost of production.

3. Future plan of action:

Development of new products in Domestic Appliances.

4. Expenditure on R & D	Rs.
(A) Capital	— NIL
(B) Recurring	— 1.32 Lakhs
(C) Total	— 1.32 Lakhs
(D) 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	—	Not applicable
(d)	If not fully absorbed, areas where they have not taken place, reason and future plan of action.	—	Not applicable

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	:	Rs.2.84 Lakhs

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For and on behalf of the Board

V. MURUGESA CHETTIAR

Chairman

Chennai - 600 018

20th August, 1998