

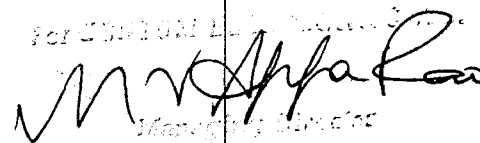
MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGE	✓		SHI	✓
YE	✓	✓		

**CENTUM**

## 4TH ANNUAL REPORT

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For CENTUM ELECTRONICS LIMITED  
  
 Managing Director

**CENTUM ELECTRONICS LIMITED**  
 BANGALORE

## ANNUAL REPORT 1996-97

### BOARD OF DIRECTORS

U. Venkateswarlu - Chairman

G. Mohan Rao

M.V.Appa Rao - Managing Director

P.S. Reddy

Krishna T. Shetty

Timothy Da Silva

U.V. Nayak

K.K. Taneja

Jai Harku

Mrs. Kanti Nagbaj - Nominee Director IDBI

### AUDITOR

M/s. A. Bhaskar & Co.  
Chartered Accountants  
# 35, 17th Main (100 Feet Road)  
VI Block, Koramangala  
BANGALORE - 560 095

### BANKERS

State Bank of India

State Bank of Travancore

Dhanalakshmi Bank Limited

### REGISTERED OFFICE

No.44, K.H.B Industrial Area,  
Yelahanka New Township,  
BANGALORE - 560 064

### SHARE TRANSFER AGENTS

M/s. Sheshanka Financial Services Pvt. Ltd.  
S-702, South Block  
Manipal Centre  
# 47, Dickenson Road  
BANGALORE - 560 042

GENERAL MANAGER  
BANGALORE



## NOTICE

Notice is hereby given that the Fourth Annual General Meeting of Centum Electronics Limited will be held at 11.00 a.m. on Monday the 15th September 1997 at the Registered Office of the Company, No.44, KHB Industrial Area, Yelahanka New Township, Bangalore - 560 064, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1997 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Krishna T. Shetty who retires by rotation.
3. To appoint a Director in place of Mr. Timothy Da Silva who retires by rotation.
4. To appoint Auditors and to authorise the Board to fix their remuneration.

By Order of the Board.

Bangalore  
30th June, 1997

**M.V. APPA RAO**  
Managing Director

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer books will remain closed from 4th September to 15th September 1997, both days inclusive.
3. Members are requested to notify any change in address immediately to the Company's Registrars and Transfer Agents, M/s Sheshanka Financial Services (P) Ltd., S-702, (South Block), Manipal center, Dickenson Road, Bangalore - 560 042.
4. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars and Transfer Agents to enable the Company to consolidate their holdings in one folio.
5. As a measure of economy, copies of the Annual Report and Accounts and Attendance Slip will not be distributed at the Meeting. We therefore request the Members to bring their copies to the Meeting.

# ANNUAL REPORT 1996-97

## DIRECTORS' REPORT

Your Directors herein present their Fourth Annual Report together with the Audited Accounts for the year ended 31st March 1997.

### 1. FINANCIAL RESULTS

	(Rs.in lakhs)	
	Year ended	Year ended
	31.03.97	31.03.96
Turnover	599.52	278.62
Other Income	11.93	3.14
Increase/Decrease in Finished Goods	(6.20)	(9.83)
Profit/Loss :		
Before Depreciation and Interest	139.54	(79.61)
Depreciation	64.88	64.16
Interest	211.17	153.01
Profit/Loss :		
After Depreciation and Interest	(136.51)	(296.78)

### 2. OPERATIONS

Despite several constraints, the various measures initiated during the year for improving performance have yielded positive results in that the losses have been curbed to a significant extent.

Against a loss of Rs.296.78 lakhs for the previous year, the loss is Rs.136.51 lakhs for the year under review. The interest burden alone is Rs.211.17 and Depreciation is Rs.64.88.

The turnover for the first six months of the year was very low at Rs.168.87 lakhs but the performance during the second half of the year has shown significant improvement.

### 3. PROSPECTS

The prospects for the current year appear bright, for, all the problems that have confronted the Company during the earlier years have been resolved and in particular :

- The order book position is satisfactory and the proposed participation of C-MAC Industries Inc., Canada as a strategic partner will be very beneficial to the Company.
- Adequate working capital arrangements have been made with the Company's Bankers.

The Management is committed to ensure that the operations will turn around during the current year.

### 4. EXPORTS :

Approvals from international customers were received for Resistor Networks and exports started in November '96 to U.S.A. By January '97 exports to U.K. also started. The response has been very good from the customers and they now would like us to increase our production capacity.

### 5. PREFERENTIAL ALLOTMENT

The Members, at an Extraordinary General Meeting held on 30th June '97 have approved the issue of 75,00,000 Equity Shares of Rs.10/- each for cash at par on preferential basis to C-MAC, Industries, Inc., Canada. The allotment is expected to be completed by September '97 and the infusion of Rs.750 lakhs will help repay term loans of Financial Institutions and this will relieve the company of the huge interest burden that it carried thus far.

### 6. DIRECTORS

Mr. Krishna .T. Shetty and Mr. Timothy DaSilva, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

### 7. AUDITORS' REPORT

The amount referred to at Sl. No.18 of the Annexure to the Auditors' Report is being remitted.

### 8. AUDITORS

M/s A. Bhaskaran & Co., Chartered Accountants, Bangalore, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

### 9. ACKNOWLEDGEMENTS

Your Directors place on record, their appreciation of the assistance and support extended by the Financial Institutions, Banks, Customers, Suppliers and the Shareholders of the Company.

Your Directors also express their appreciation of the untiring efforts of all the employees of the Company.

for and on behalf of the Board

Bangalore  
30th June, 1997

U. VENKATESWARLU  
Chairman

Information pursuant to the Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988.

### A. CONSERVATION OF ENERGY:

Some of the measures your company had undertaken during the period under report in the high priority area of Energy Conservation are given below :

- Optimum utilisation of machines with regular maintenance and overhauling.
- Efficient use of Compressed Air to obtain maximum energy savings.
- Optimising illumination of the plant.
- Optimisation of process parameters to minimise Energy Conservation.



**B. DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH AND DEVELOPMENT:**

**(a) Research and Development:**

Your Company has a design department which is engaged in development of new products to meet the customer's needs. A few circuits are under development and can be launched in the year 1996-97.

**(b) Technology Absorption:**

Knowhow and Engineering Documents have been obtained from M/s. Toko Magnetic Industry Co. Ltd., Japan, extensive training has been

Imparted to your company's engineers and the technology has been fully absorbed. Your Directors are confident of operating the plant of the Company at the International Standards of Capacity utilisation, Yields and Product Quality.

**C. FOREIGN EXCHANGE EARNINGS/OUTGO:**

For details of Foreign Exchange Earnings and outgo during the period of report, please refer to the Notes on Accounts. Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Director's Report for the year ended 31st March 1996.

**INFORMATION PURSUANT TO SUB SECTION (2A) OF SECTION 217 OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 1996**

Sl. No.	Name	Designation	Qualification	Age
1.	M.V.Appa Rao	Managing Director	M.Engg	40 Yrs
Date of Joining/Experience		Gross Remuneration	Previous Employment	
01.08.1994 13 Years		Rs.4.77 Lakhs	Project Manager, Rao Insulating Co., Bangalore.	

Mr. M.V.Appa Rao was appointed as Managing Director on 1st August 1994. Mr. M.V.Appa Rao is not a relative of any Director of the Company. Nature of Employment is contractual.

For and on behalf of the Board

Bangalore  
30th June, 1997

**U. VENKATESWARLU**  
Chairman

