
19th

Annual
Report
2000-2001

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G. P. ELECTRONICS LIMITED

19TH ANNUAL REPORT 2000-2001

Board of Directors

Shri. Ajay G. Piramal *Chairman*
 Smt. Urvi A. Piramal
 Shri. Shyam Ghia
 Shri. M. J. Tibrewala
 Shri. Gautam B. Doshi
 Vice Adml. S. Jain (Retd)
 Shri. Ranjan Sanghi
 Shri. Shreyas Doshi
 Shri. S. M. Kulkarni
 Shri. S. N. Somani

Bankers

Oriental Bank of Commerce

Auditors

Haribhakti & Co.
 Chartered Accountants
 Mumbai

Registered Office

Administrative Building,
 Morarjee Mills Compound,
 Dr. Ambedkar Road,
 Parel, Mumbai - 400 012

Works

Plot No. B-87, Nasik Indl. Estate,
 Ambad, Nasik-422 010
 Tel. : 0253-382238/382267
 E-mail : gpel@giasbm01.vsnl.net.in

Share Transfer Agent

Amtrac Management Services Limited

Administrative Unit

Administrative Building,
 Morarjee Mills Compound,
 Dr. Ambedkar Road,
 Parel, Mumbai - 400 012.

Processing Unit

Plot No. 101/102, MIDC,
 19th Street, Opp. Ceat Tyres Ltd.,
 Satpur, Nasik - 422 007.

Annual General Meeting will be held on
Thursday, 13th September, 2001 at
11.00 a.m. at M.C.Ghia Hall, Bhogilal
 Hargovindas Building, 2nd floor, 18/20,
 Kaikhushru Dubash Marg (Kala Ghoda),
 Mumbai 400 001.

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NOTICE

NOTICE is hereby given that the nineteenth Annual General Meeting of the members of G.P. Electronics Limited will be held on **Thursday, the 13th September, 2001 at 11.00 a.m.** at **M.C.Ghia Hall, Bhogilal Hargovindas Building, 2nd floor, 18/20, Kaikhushru Dubash Marg (Kala Ghoda), Mumbai 400 001** to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Ajay G. Piramal, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Shyam Ghia, who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. Shreyas K. Doshi, who retires by rotation and is eligible for reappointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

7. Alteration of Articles of Association:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and they are hereby altered as follows:

- (a) Article 2 of the Articles of Association shall include the following definitions at appropriate places:

"Beneficial owner" shall mean beneficial owner as defined in clause (a) of sub Section (1) of Section 2 of the Depositories Act, 1996;

"Depositories Act, 1996" shall include any statutory modification or re-enactment thereof; and

"Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

- (b) Article 8 of the Articles of Association, shall include the following at the end:

The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

- (c) Article 11 of the Articles of Association shall be substituted by the following:

11 The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner herein after mentioned, no share shall be subdivided. Every forfeited or surrendered shares held in material form shall continue to bear the number by which the same was originally distinguished.

- (d) Article 15 of the Articles of Association shall be substituted by the following:

15 Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be



bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

(e) In clause (b) of Article 17 of the Articles of Association words "provided, however, no share certificate(s) shall be issued for shares held in a Depository" shall be added at the end of 1st sentence after the words "the amount paid-up thereon".

(f) Article 45 of the Articles of Association shall be substituted by the following:

45 The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share, whether or not held in material form.

(g) After the existing Article 47 the following shall be inserted as Article 47A

47A Nothing contained in the foregoing Articles shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

(h) After the existing Article 50 the following Article shall be inserted as Article 50A:

50A In case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in electronic and fungible form, the provisions of the Depositories Act, shall apply."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER

2. The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members of the Company will remain closed from Tuesday the, 28th August, 2001 to Thursday, the 13th September, 2001, (both days inclusive).
4. Dividend, if declared at the Annual General Meeting will be paid to those members whose names will stand on the Register of Member as on 13th September, 2001.
5. Securities and Exchange Board of India, has made **trading in the shares of the Company compulsory in dematerialised form for all investors with effect from 24th July, 2000.**
6. With a view to provide protection against fraudulent encashment of dividend warrants shareholders were requested by the Company to provide their bank account number, name and address of the Bank & Branch to enable the Company to incorporate the said details on the dividend warrants. Although several shareholders have responded to this request, a large number have yet to provide such information, who are once again requested in their own interest to provide the above mentioned details quoting their folio numbers/client ID to the Share Transfer Agent at their Nasik address. Members will appreciate that the Company will not be responsible for any loss arising out of fraudulent encashments of dividend warrants.
7. Those members who have so far not encashed their dividend warrants / debenture interest / debenture redemption warrants for the below mentioned financial years may claim or approach the Company for the payment as the same will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to the section 205C of the Companies Act 1956 on the respective dates mentioned thereagainst.

Financial Year ended	Due date of transfer
31.03.1996	01.09.2003
31.03.1997	25.11.2004
31.03.1998	16.11.2005
31.03.1999	15.09.2006
31.03.2000	11.10.2007

8. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividend upto the financial year 31st March, 1995 have been transferred to the General



Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period(s) are requested to claim the same by submitting an application in prescribed Form No. II to the Registrar of Companies, Maharashtra, C/o. Fancy Corporation, Hakoba Mills Compound, Kala Chowkie, Mumbai 400 013.

9. Section 109A of the Companies Act, 1956 provides for Nomination by the shareholders of the Company in the prescribed Form No. 2B. The shareholders are requested to avail of this facility. The duly filled in and signed Form No. 2B should be sent to the Share Transfer Agents of the Company at their Nasik address.
10. In order to render better and efficient services, we request you to consolidate the multiple folios in the same names and in identical order. We strongly feel that such a step would be beneficial particularly in monitoring of dividend warrants, reduction of multiple communications and reduction of allotment in odd lots/fractions, if the multiple folios are consolidated into one folio. Consolidation of folios does not amount to transfer of shares and therefore, no stamp duty or other expenses are payable by you. In case you decide to consolidate your folios, you are requested to forward your share certificates to the Share Transfer Agents of the Company at their Nasik address.

EXPLANATORY STATEMENT

Explanatory Statement under section 173 of the Companies Act, 1956

Item No. 7

A few Articles in the Articles of Association of the Company pertaining to issue, holding, transfer and dealing in shares and securities, as also regarding certificates for shares and securities, are desired to be brought in line with the provisions of the Depositories Act, 1996 and therefore the relevant Articles need to be amended. Special Resolution concerning alteration in Articles of Association of the Company at item no. 7 of the accompanying notice is therefore recommended for your approval.

By Order of the Board

Prashant Mistry
Company Secretary

Registered Office:

Administrative Building
Morarjee Mills Compound
Dr. Ambedkar Road
Parel, Mumbai 400 012
Dated: 2nd May 2001





DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting their 19th Annual Report on the business and operations of the Company together-with the audited accounts for the year ended on 31st March, 2001.

OPERATIONS AND FINANCIAL SUMMARY

In these days greater value is being attributed to those companies that are global and hold strong market position. Companies demonstrating a strong potential for growth are being favoured. The ferrite industry in general and India in particular has been experiencing severe threats from Chinese manufacturers. To combat the threat, improvements in business processes and reverse engineering form the key strategies. These actions form the basis of the transformation process initiated in the last year.

The financial highlights for the year are summarized as under.

Particulars	Rs. Lakhs	
	Year ended 31.03.2001	Year ended 31.03.2000
Income from operations	1763.68	1636.41
Profit before depreciation and tax	331.02	303.07
Depreciation	243.82	237.59
Profit before tax	87.19	65.48
Provision for taxation	11.50	8.00
Profit after tax	75.69	57.48
Add : Profit brought forward	49.62	51.44
Profits available for appropriations	125.31	108.92
APPROPRIATIONS		
Proposed dividend	58.33	48.61
Income tax on proposed dividend	5.97	10.69
Transfer to General Reserve	2.00	—
Balance carried forward	59.01	49.62
Total	125.31	108.92

In the year 2000-2001, we strived in our efforts to drive the company forward, despite facing some of the toughest

external conditions for last few years.

The volumes of production and sales have shown a growth of 19.69% and 8.31% respectively over the previous year. Operations for the year have not reflected any growth mainly on account of two major reasons viz. (1) fall in the prices (10%) due to continuous flow of material from China and neighboring countries, and (2) increase in the cost of gas by 38% in last 6 months, which is a vital input in the manufacturing process. Although we did not succeed to set a record for earning per share, we have reported good operating profits. Over the years, the various actions our management team has taken have resulted in a change in the rate of volume growth. Whilst we believe that these achievements stand comparison with the best in ferrite industry, we must continue to achieve yet higher levels of performance.

DIVIDEND

The Board of Directors are pleased to recommend a dividend of 12% i.e. Rs. 1.20 per share (previous year 10%). This will absorb Rs. 64.30 lakhs including Rs. 5.97 lakhs towards corporate dividend tax.

BUILDING VALUE

Significant proportion of the managements' efforts was concentrated on its transformation from a loud-speaker ring magnet business into arc magnets business thereby concentrating on higher value added sectors of automobile industry.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Conservation of energy and finding out ways and means to reduce the cost takes top priority more so in wake of increase by 38% in the prices of gas during the last year. Particulars required by Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure "A".

DIRECTORS' RESPONSIBILITY

As required u/s 217(2AA) of the Companies Act, 1956 we hereby state:-

- that in the preparation of the annual accounts, the applicable accounting standards have been followed