

GCL

*Fifth Annual Report
1996-97*

GCL

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MD	✓		BKC	✓
CS	✓		DPY	A/Q
RU	✓		DIV	A/P
TRA	✓		I/C	✓
ACM	✓	✓	SHI	✓
YE	✓	✓		✓

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Gujarat Cypromet Limited



BOARD OF DIRECTORS

Shri Bhogilal D. Shah	Chairman
Shri Narendra P. Mehta	Managing Director
Shri Mihir T. Choksi	Executive Director
Shri Lalit P. Mehta	Director
Shri Champaklal A. Shah	Director
Shri Rajendra P. Goyal	Director
Shri Navalkishor N. Jambusaria	Director
Shri Sharad D. Vaidya	Nominee Of IDBI
Dr. Nayan Desai	Nominee Of GIIC
Shri Atanu C. Chakraborty	Nominee Of GIIC

AUDITORS

M/s. Shah & Shah Associates
Chartered Accountants
Ahmedabad.

BANKERS

Union Bank of India
South Indian Bank Ltd.
Dena Bank
State Bank of India

REGISTERED OFFICE & WORKS

Plot No. 69/70, 74-79, 81/82, Survey No. 196/1,
Mahalaxmi Industrial Estate, Village Iyava,
Sanand - Viramgam Highway, Sanand, Gujarat - 382 110.
TEL.: 02717 - 74314/74322 •
FAX : 02717 - 74322.

CORPORATE OFFICE

7/10, Botawala Building,
Office No. 4, Horniman Circle,
Fort, Mumbai - 400 001.
TEL.: 2660072/2663407/2670740
FAX : 2663407/3641291.

MARKETING DIVISION

4, Al-Hasanat Chambers,
3, North South, 10th Road,
JVPD Scheme,
Andheri (West),
Mumbai - 400 049.
Tel./Fax : 6239276/6235201.

SHARE TRANSFER AGENTS

Satellite Corporate Services Pvt. Ltd.
39/724, Azad Nagar, II Veera Desai Road,
Andheri (West), Mumbai - 400 053.
TEL.: 632 5764 FAX : 632 4790.

NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the Members of the Company will be held at Plot No.69/70, 74-79, 81/82, Survey No.196/1, Village Iyava, Sanand Viramgam Highway, Sanand, Gujarat - 382 110 on Tuesday, 30th Sept., 1997 at 12.30 p.m. to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit and Loss account for the year ended on that date and the Directors' & Auditors' Reports thereon.
2. To appoint a Director in place of Shri Mihir T. Choksi who retires by rotation, but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Rajendra P. Goyal who retires by rotation, but being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 13th September, 1997 to Saturday, 20th September, 1997 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

By order of the Board

Report Junction.com

Mihir T. Choksi
Executive Director

19th Aug' 1997

Registered Office :
Plot No.69/70, 74-79, 81/82,
Mahalaxmi Industrial Estate,
Survey No.196/1, Village Iyava,
Sanand Viramgam Highway,
Sanand, Gujarat - 382 110.



DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to present before you the Fifth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1997.

FINANCIAL RESULTS

Description	(Rs. in lacs)	
	Year Ended 31st March'97	Year Ended 31st March'97
Sales and Other Income	<u>2300.53</u>	<u>1700.56</u>
Profit before Depreciation and Financial Charges	312.72	189.32
Less : Depreciation	111.94	8.64
Financial Charges	<u>170.26</u>	<u>14.52</u>
Profit before Taxation	30.52	166.16
Less : Provision for tax	<u>3.67</u>	<u>Nil</u>
Profit after Tax	26.85	166.16
Balance of Profit Brought Forward	166.16	Nil
Surplus Carried to Balance Sheet	<u>193.01</u>	<u>166.16</u>

OPERATIONS

During the year under report, the first phase commissioning of the project was completed during October'96 and production in the melting and extrusion section was stabilised.

Gujarat Electricity Board have yet to release 2400 kva of high tension power sanctioned as far back as Sep'94, and this has affected the capacity utilisation at the plant.

During the year 96 - 97, the Company has engaged in manufacturing as also trading activities and gross sales for the year has been at Rs.2261.97 Lacs with a profit of Rs. 26.85 lacs, after providing for depreciation of Rs.111.94 lacs and taxation for Rs. 3.67 Lacs.

PHASE II

Initially, the project was envisaged for implementation under the concessional 15% import duty Export Promotion Capital Goods (EPCG) scheme, but thereafter the original scope of the project was expanded to achieve eligibility for

zero duty EPCG scheme introduced in April'95. Thus, installed capacity of the Company was enhanced by 4000 MT/Annum, from 7200 MT/Annum to 11200 MT/Annum at an investment of approx. Rs. 1500 lacs for manufacture of small diameter rods and wires.

The expansion project was appraised and approved by IDBI and Union Bank in August'96. In view of six months' delay in first phase project implementation due to unforeseen circumstances viz. earth quake in Japan near equipment suppliers' factory and non-release of balance high tension power supply by GEB, the company has sought extension of the cut off date for fulfilling Import Obligations by six to twelve months i.e. from end August'97 to end February/end August'98.

To fulfill provisions of zero duty EPCG Licence obligations, the Company has to import equipment valued at Japanese Yen (JY) 275 Million, of which Letter of Credit for machinery valued at JY 160 Million has already been opened by IDBI.

The Company has also identified and negotiated other equipments valued at JY 110 Million and is arranging to establish Letter of Credit shortly.

Considering the progress made in implementation of the project, expected release of high tension power of by GEB and installation of captive power facilities, your Directors hope to achieve better results during the current year.

PROJECTIONS Vs PERFORMANCE

Projected Actuals

Sales and other Income	4939.34	2300.53
Profit after tax	422.14	26.85

The projections could not be achieved due to the non-availability of high tension power, affecting capacity utilisation at the plant.

CONVERSATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the requirements of 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, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure.

DIRECTORS

Shri Mihir T. Choksi and Shri Rajendra P. Goyal, would retire by rotation and the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Dr. Nayan Desai has been nominated by Gujarat Industrial Investment Corporation in place of Dr. B. P. Gupta. The Board places on record its appreciation of the contributions made by Dr. B.P. Gupta during the tenure of his Directorship.

PARTICULARS OF EMPLOYEES

The Company does not have any employee, whose particulars are required to be given pursuant to the Provisions of Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975.

AUDITORS REPORT

Reference made to note number 14 by the Auditors in their report, is self explanatory.

AUDITORS

M/s. Shah & Shah Associates, Chartered Accountants, Auditors of the Company would retire at the ensuing Annual General Meeting and they are eligible for re-appointment.

9) ACKNOWLEDGMENT

The implementation and commissioning of the phase I of the project and the performance during the current year, would not have been possible without wholehearted Co-operation and support received from Industrial Development Bank of India, Union Bank of India and South Indian Bank and also active assistance from Gujarat Industrial Investment Corporation Limited (GIIC), co-promoters of the Company, who have been a source of inspiration and advice during implementation and operation of the project. The Board would like to thank all the above Institutions and others concerned agencies. The Board also wishes to record sincere appreciation of the employees for their tremendous enthusiasm during implementation of the project. The Directors are also grateful to you Shareholders for the continued support and confidence reposed in the Company.

ANNEXURE I

**Information pursuant to the Companies
(Disclosure of Particulars in the Report of
the Board of Directors) Rules, 1988.**

1. CONSERVATION OF ENERGY :**A) Power and fuel consumption:**

a) Electricity : **1996-97** 1995-96

Purchased :

Units (KWH) **79414** NIL

Total amount

(Rs. in lacs) **4.37** NIL

Rate/Unit (Rs.) **5.51** NIL

b) High Tension Electricity
Consumption:

Units (KWH) : **527349** NIL

Total amount

(Rs. in lacs) **18.26** NIL

Rate/Unit (Rs.) **3.46** NIL

B) Generated Power :

Diesel Consumption

Purchased (Litres) **181400** NIL

Total amount

(Rs. in lacs) **16.47** NIL

Total units

generated (KWH) **378974** NIL

Cost per unit (Rs.) **4.34** NIL

2. TECHNOLOGY ABSORPTION :

The Company has not imported any technology during the year.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO :**A) Earnings :**

There was no Foreign Exchange Earnings during the year 1996-97

B) Outgo :

Foreign Exchange outgo was Rs. 544.59 Lacs, on account of import of Capital Goods, Traded Goods, Freight and Traveling, during the year 1996-97

For and on behalf of the Board

Mumbai

Date : 19th August, 1997

Bhogilal D. Shah

Chairman