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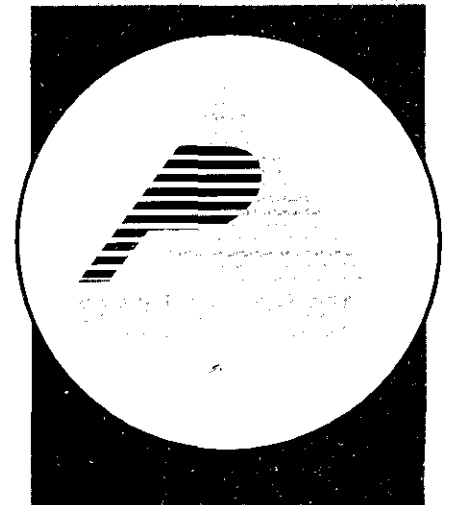
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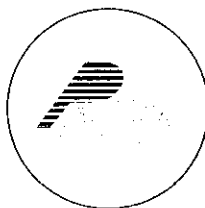
REPORT

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1999-2000

# GUJARAT POLY-AVX ELECTRONICS LIMITED





## GUJARAT POLY-AVX ELECTRONICS LIMITED

### ELEVENTH ANNUAL REPORT 1999-2000

#### ANNUAL GENERAL MEETING

*On Saturday, the 16th September, 2000,  
at B-17/18, Gandhinagar Electronic Estate,  
Gandhinagar, Gujarat, at 11.30 A.M.*

*As a measure of economy, copies of the Annual Report  
will not be distributed at the Annual General Meeting.  
Shareholders are requested to kindly bring their copies  
to the meeting.*

#### Board of Directors

**Mr. Tanil R. Kilachand** (*Chairman*)  
**Mr. A. H. Mehta**  
**Brig. K. Balasubramaniam**  
**Mr. M. G. Shah**  
**Mr. Donald Christiansen**  
**Mr. Benedict P. Rosen**  
**Mr. S. G. Khattar**  
*(Alternate Director to Mr. Donald Christiansen)*  
**Mr. P. T. Kilachand**  
**Mr. Chandrakant Kushaldas**  
*(Special Director)*

#### Bankers

**Bank of Baroda**

#### Auditors

**Messrs. C. C. Chokshi & Company**  
*(Chartered Accountants)*

#### Solicitors and Legal Advisers

**Crawford Bayley & Co.**

#### Registered Office and Works

B-17/18, Gandhinagar Electronic Estate,  
Gandhinagar 382 044, Gujarat

#### Corporate Office Share Collection Centre

7, Jamshedji Tata Road,  
Churchgate Reclamation,  
Mumbai 400 020.

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**ELEVENTH ANNUAL REPORT 1999-2000**

**NOTICE**

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of GUJARAT POLY-AVX ELECTRONICS LIMITED will be held at B-17/18, Gandhinagar Electronic Estate, Gandhinagar, Gujarat, on Saturday, the 16th September, 2000, at 11.30 A.M. to transact the following business :

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended on 31st March, 2000.
2. To appoint a Director in place of Mr. A. H. Mehta who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Donald Christiansen who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. T. Kilachand who retires by rotation, but being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification/s, the following resolution as an Ordinary Resolution for appointing Auditors for the current year and fixing their remuneration :—

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. C. C. Chokshi & Company, Chartered Accountants, Ahmedabad, be and are hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs. 20,000/- (Rupees Twenty Thousand only) in addition to reimbursement of travelling and all other out of pocket expenses incurred in connection with the audit."

By Order of the Board of Directors,

**A. H. MEHTA**  
DIRECTOR

**Registered Office :**

Plot No. B-17/18,  
Gandhinagar Electronic Estate,  
Gandhinagar 382 044.  
GUJARAT

*Dated : 3rd August, 2000.*

**NOTES**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.
- (b) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 19th September, 2000, to Tuesday, the 26th September, 2000 (both days inclusive).
- (c) Members are requested to notify any change of their address to the Company's Share Collection Centre at 7, Jamshedji Tata Road, Churchgate Reclamation, Mumbai 400 020.

**GUJARAT POLY-AVX ELECTRONICS LIMITED****DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the Eleventh Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2000.

**1. PRODUCTION ACTIVITIES**

During the year the commercial production of full range of Single Layer Ceramic Capacitors have increased at our Plant, utilising existing plant and machinery and other equipments. The total production for the year is 654.06 lac pieces which is higher by 71% compared to production in previous year which was 381.54 lac pieces. The increased in the production figures are mainly due to increase in production of SLCCs although MLCC sales have also increase marginally.

Major Orders for the full range of SLCCs have been received from the telecommunication sectors. The actual effect of the new Telecom Policy is yet to make a significant impact to demand of our products.

Meanwhile, the sales turnover have improved considerably for the year in comparison with the sales turnover for the previous year. The sales during the year was Rs. 650.14 lacs in comparison to the sales of Rs. 358.57 lacs in the previous year. Order booking during the financial year has increased by around 71% despite deep recession in the market. The order booking and sales turnover is expected to improve further with Telecom policy being implemented.

The Company has also started assembly of High Voltage Ceramic Capacitors.

With the above possibilities, the Directors are hopeful of increasing the sales turnover of the company.

**2. FINANCIAL RESULTS :**

The Company's operation for the year has resulted into loss of Rs. 400.24 lacs. There is surplus of Rs. 133.01 lacs before interest and depreciation. In absence of any profit during the year, your Directors regret their inability to pay any dividend for the year under review.

**3. FINANCE**

The Company has not received any additional loans from the financial institutions during the year ended 31st March, 2000.

**4. FIXED DEPOSITS**

The Company has not received any deposits from Public during the year.

**5. PARTICULARS OF EMPLOYEES**

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not applicable to the Company as none of the employees are drawing more than Rs. 6,00,000 per annum.

**6. PROCEEDINGS BEFORE THE BIFR**

As you are well aware, your company has been referred to BIFR for adoption of revival measures with respect to it in accordance with the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Having exhausted the route to revive the company even by exploring the possibility of change in management of the Company, BIFR decided to issue at the hearing held on 18th February, 1999, a show cause notice (SCN) in terms of Section 20(1) of SICA inviting objections/suggestions to SCN as to why the company should not be wound up, in public interest. At the hearing held on 18th May, 1999, BIFR observed that in view of serious interest evinced by some prospective parties some more time should be granted to explore the possibility of forming the revival package and, therefore, gave certain directions in that behalf. The proposed Workers and Employees Industrial Cooperative has submitted a comprehensive revival scheme to the Operating Agency (OA) as also to BIFR. A similar scheme will also be submitted by the Company in due course. The response of the OA to the revised revival scheme is awaited. While the SCN is kept in operative by BIFR, as the company has attained remarkable and commendable growth in terms of sales and profitability during the year under review, it is expected that BIFR may consider the same and give an opportunity to the company for its rehabilitation.

**ELEVENTH ANNUAL REPORT 1999-2000**

**7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO ETC.**

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1968, the Report of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo etc. is given in Annexure I forming part of this report.

**8. DIRECTORS**

Mr. A. H. Mehta, Mr. Donald Christiansen and Mr. P. T. Kilachand retire from office by rotation but being eligible, offer themselves for reappointment.

Mr. P. T. Kilachand has resigned as an Executive Director of the Company with effect from 2-8-2000. However, he continues to remain as a Director of the Company.

**9. APPOINTMENT OF AUDITORS**

You are requested to appoint Auditors and fix their remuneration. The retiring Auditors M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad are eligible for re-appointment.

**10. ACKNOWLEDGEMENT**

Your Directors express their sincere thanks to the Central and State Government authorities, including Gujarat Industrial Investment Corporation Ltd., Bank and Financial Institutions and the Collaborators Kyocera-AVX Corp. of U.S.A.

Sincere thanks are also due to the management team, the staff and workers for their valuable contribution during this critical period for the Company.

By Order of the Board of Directors,

**T. R. KILACHAND**  
Chairman

**Registered Office :**

Plot No. B-17/18,  
Gandhinagar Electronic Estate,  
Gandhinagar 382 044.  
GUJARAT

*Dated : 3rd August, 2000.*

## GUJARAT POLY-AVX ELECTRONICS LIMITED



## ANNEXURE I

**A. CONSERVATION OF ENERGY**

- a) Energy conservation steps taken:
  - i) Effective supervision & control for Energy usage in factory, particularly the AC Plant and Compressor.
  - ii) Power factor improved by optimum use of Capacitor Bank.
- b) Additional Investments & Proposals being implemented:
  - i) A separate chilling plant for cooling water required for the machines to be installed independent of the AC Plant.
  - ii) Effective usage of Plant, Machinery & Utilities for energy conservation.
- c) Impact of measures at (a) & (b) above :  
The above steps have resulted in cost saving by way of reduced energy consumption.

**POWER & FUEL CONSUMPTION****FORM-A****1. ELECTRICITY**

- a) Purchased : April 1999 to March 2000  
Units (Kwh) : 4,87,905  
Total Amount (Gross) : Rs. 21,82,206  
(Rate/Unit Rs. Kwh) : Rs. 4.47

**2. TECHNOLOGY ABSORPTION****FORM-B****1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY**

- i) The process of locating new sources & indigenisation of Raw-materials & Imported spares are continuing.
- ii) Development of Spares & Tools for various machines for the manufacture of Single Layer Ceramic Capacitors.
- iii) The manufacturing range of Single Layer Ceramic Capacitors enhanced further to produce High Voltage Capacitors.

**2. BENEFITS DERIVED AS A RESULT OF ABOVE R & D**

- i) Improved process time and productivity.
- ii) Improved production yields.
- iii) Consistent quality level.

**3. FUTURE PLAN OF ACTION**

- i) Indigenisation of Raw materials, Jigs & Tools for SLCC and MLCC manufacturing.
- ii) Local development of Jigs & Fixtures/Tools for replacement.
- iii) Continue the development of products similar to our present range of products.

**4. EXPENDITURE OF R & D**

Negligible.

**TECHNOLOGY—ABSORPTION, ADAPTATION & INNOVATION**

- (1) (a) Technology Absorption  
Technology Absorption is complete in the areas commissioned.
- (b) Adaptation  
The system have been modified to adapt to Indian environment as a part of continuous Quality Improvement Programme.
- (c) Innovation  
Better Methodology & Systems have lead to overall improvement in the process.
- (2) **BENEFITS**
  - i) improvement in process and down time.
  - ii) Improved deliveries & service to customers with minimum customer returns on Technical grounds.
- (3) **IMPORTED TECHNOLOGY**  
No additional import of Technology in the Financial Year 1999-2000.