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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

ANNUAL REPORT 1997-98

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JCT ELECTRONICS LIMITED





JCT ELECTRONICS LIMITED

BOARD OF DIRECTORS

Mr. M.M. Thapar, Chairman
Mr. Arjun Thapar, Managing Director
Mr. R.K. Kaul
Mr. R.K. Seth
Mr. V.Rajaraman
Mr. R.S. Mehra

CHIEF OPERATING OFFICER

Mr. Anil Nayar

SECRETARY

Mr. Gopal Krishnan

AUDITORS

V. Sahai & Co.
New Delhi

REGISTERED OFFICE

A-32, Industrial Phase VIII
S.A.S. Nagar,
Mohali (Punjab)

HEAD OFFICE

Thapar House,
124 Janpath
New Delhi - 110 001

WORKS

Mohali - Punjab
Vadodara - Gujarat

BANKERS

Allahabad Bank
ANZ Grindlays Bank
Bank of Baroda
Bank of Nova Scotia
Citibank N.A.
Hongkong & Shanghai Banking Corpn.
Indian Overseas Bank
Oman International Bank Ltd. S.A.O.G.
Punjab National Bank
Punjab & Sind Bank
SBI Commercial & International Bank Ltd.
Standard Chartered Bank
State Bank of India
State Bank of Patiala
The Bank of Tokyo - Mitsubishi Ltd.
The Fuji Bank , Limited
The Sanwa Bank Limited
The Siam Commercial Bank p.l.c.
UCO Bank



DIRECTORS' REPORT

Your Directors present their Report together with Audited Accounts for the year ended 31st March, 1998.

Financial Results

	Year Ended 31.03.98 (Rupees in lacs)	Year Ended 31.03.97
Gross Sales including other income	<u>26,622</u>	<u>27,834</u>
Gross Profit	<u>1,321</u>	<u>1,415</u>
Depreciation	<u>802</u>	<u>809</u>
Net Profit before tax	<u>519</u>	<u>606</u>
Provision for tax	<u>55</u>	<u>78</u>
Net Profit after tax	<u>464</u>	<u>528</u>
Surplus from earlier years	<u>3,032</u>	<u>2,859</u>
Transfer from General Reserve	<u>—</u>	<u>800</u>
Profit available for appropriation	<u>3,496</u>	<u>4,187</u>
Appropriations		
Transfer to Capital Redemption Reserve	<u>—</u>	<u>800</u>
Dividend - Preference Shares	<u>—</u>	<u>108</u>
- Equity Shares	<u>—</u>	<u>224</u>
Tax on Equity Dividend	<u>—</u>	<u>22</u>
Profit carried over to Balance Sheet	<u>3,496</u>	<u>3,033</u>
	<u>3,496</u>	<u>4,187</u>
Shareholders' Funds :		
Share Capital - Equity	<u>3,454</u>	<u>3,454</u>
Reserves and Surplus	<u>6,685</u>	<u>6,221</u>
	<u>10,139</u>	<u>9,675</u>

Operations

During the year under review, the operations of your Company in terms of production, operating efficiencies were satisfactory. However sharp reduction in the margins were witnessed on account of tough competition both in the domestic and international markets on account of currency crisis in South East Asia.

The Mohali unit of the Company recorded increase in sales to 703392 nos. of CPTs as against 682194 nos. in the previous year. This increase in sales was significant in light of new capacities in the domestic market as also increased competition from imports. The capacity utilisation at the Mohali unit improved to 116% with production volumes going up to 694655 nos. of CPTs as against 682041 nos. during the previous year.

Trial runs were commenced at the new unit at Baroda, during the year 1997-98. The new unit was not ready in all respects for full commercial production as various process parameters were being adjusted and fine tuned to cater to the needs of

various CTVs manufacturers. Your Company had sought technical assistance from our Collaborators Hitachi, Ltd., Japan, for necessary modifications and upgradation of the processes. Production during the said period at 457648 nos. of CPTs was less than half of the installed capacity. As commercially feasible quantities couldnot be achieved and the plant was not ready for commercial production, the plant and machinery has not been capitalised. However, buildings and air & water pollution control equipments which were fully ready have been commissioned and capitalised with effect from 1st September, 1997. Depreciation on these assets have been charged to the Profit & Loss Account from the date of capitalisation. Efforts are on to ramp-up production to the rated capacity during the year.

The profit before interest and depreciation is Rs. 3,187 lacs as against Rs.3511 lacs in the previous year. The net profit for the year is Rs. 464 lacs. The surplus available after adjusting carry forward profits is Rs. 3,496 lacs.

To meet the challenges of future global competition your Company wishes to conserve resources for its corporate requirements, and therefore, Directors do not recommend any dividend on the equity shares.

Business Prospects/Outlook

The domestic Colour TV (CTV) market has seen a substantial growth in the year under review and is expected to go up steadily in the years to come. The Industry has a bright future as penetration levels in India are very low. The aggressive and innovative marketing are also ensuring rapid growth and penetration of TVs in Rural markets and replacement of TVs in the Urban markets. Your Company is fully geared up to meet the market growth. However, in view of the intense competition both from the domestic and international suppliers, margins may be under pressure. Your Company is actively undertaking various measures to bring down costs and your Company is confident of improved margins and profitability with volumes and growth in domestic and international markets in the near future.

Exports

During the year, exports have grown by 9% from Rs.1864 lacs in 1996-97 to Rs.2036 lacs in 1997-98. While exports in the past have been to various countries in Europe and Asean Region including South Africa, Slovenia, Singapore, Hongkong, Egypt, Pakistan, Iran and Turkey, efforts are being made to tap new markets as our products are internationally competitive. With our quality being internationally accepted and with safety approvals from prestigious institutions abroad, your Company is confident of a sharp growth in exports in the years to come.



JCT ELECTRONICS LIMITED



The Thapar Group

NOTICE

The Twentysecond Annual General Meeting of JCT ELECTRONICS LIMITED will be held at its registered office at A-32, Industrial Phase-VIII, S.A.S. Nagar, Mohali-160 055, Punjab, on Wednesday, the 30th day of September, 1998, at 3.00 p.m. to transact the following business :

1. To consider and adopt the audited Balance Sheet as at 31st March, 1998, the Profit & Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr M M Thapar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr R K Seth who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s V Sahai & Co., Chartered Accountants as Auditors and fix their remuneration.
5. To consider and if thought fit to pass with or without modification, the following resolution(s) as Special Resolution.

RESOLVED that pursuant to Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re-enactment thereof) and subject to such approvals, consents and clearances as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which expression shall be deemed to include any Committee of the Board for the time being, exercising the powers conferred by the Board) to issue, offer and allot in accordance with applicable guidelines/regulations now or at any time hereafter either to the existing members by way of a rights offer and/or to others including resident/non-resident indians, overseas bodies corporates, Indian/foreign bodies corporates, financial/investment institutions, banks, mutual funds, foreign institutional investors etc. by way of public issue through a prospectus and/or by private placement and/or preferential/firm allotment and/or in any other form or manner and/or partly in one form and partly in another, equity shares and/or redeemable preference shares whether cumulative or not and/or bonds/debentures that may be convertible compulsorily and automatically or optionally and/or partly or fully and/or non-convertible debentures with or without

detachable warrants entitling the holder to exercise an option for equity shares and/or mere warrants/instruments representing, linked to or convertible into equity shares and/or any other financial instrument (hereinafter collectively referred to as 'the Securities').

RESOLVED FURTHER that the aggregate amount of the securities which may be made at a time or in tranches, in terms of this resolution, shall not exceed Rs.250 crores in the aggregate with authority to the Board to issue any one or more of the said securities on the terms within such limits as the Board or its Committee thereof may in its absolute discretion decide.

RESOLVED FURTHER that for giving effect to the above proposal, the Board be and is hereby authorised to :

- (a) Decide and fix the terms and conditions including the premium, interest/coupon rates, terms of conversion, other conditions including the ranking and other rights attached to such securities, the person to whom these may be issued and to attach any special benefits/rights/privileges to one or more of such securities including detachable warrants and if thought fit, to vary/modify the same;
- (b) Decide the voting rights in respect of equity/preference shares to be issued in accordance with the applicable laws/guidelines and the Articles of Association of the Company at such time;
- (c) Finalise and prescribe the form of prospectus/offer documents, the issue price of securities, terms of payment, basis of issue and allotment in accordance with the subsisting guidelines, rules, regulations, etc. and to decide and carry out any alteration/modification to the above, including the number/value of securities, size of any issue or as suggested/recommended by any of the concerned authorities/agencies or otherwise as the Board may deem fit without requiring any further approval of the members;
- (d) Issue and allot such number of equity shares at such times as may be required on the conversion of or exercise of option attached to any instrument issued in terms of this resolution as per the respective terms of issue or as per the conditions prevalent;

- (e) Dispose of the unsubscribed portion of the securities to such person(s), in such manner and on such terms as the Board may deem fit having regard to any restrictions in this regard;
- (f) Secure where necessary, the bonds/debentures or any other debt instruments to be issued, by creation of appropriate mortgages/ charges on some or all of the Company's immovable and/or moveable properties both present and future and to decide the ranking of such mortgages/charges in relation to the mortgages/ charges created/ to be created for the existing and future borrowings/debt instruments as the Board may decide; and
- (g) Execute all documents and writings as may be necessary, desirable and expedient and enter into all agreements with Managers/ Underwriters/Brokers and other intermediaries/ agencies as may be required and to remunerate them by way of fees, commission, brokerage or otherwise;

RESOLVED FURTHER that for the purpose of giving effect to these resolutions, the Board or its Committee thereof be and is hereby authorised to do all such acts, deeds and things as the Board in its absolute discretion may consider necessary, expedient, proper or desirable and to settle any question, remove any difficulty or doubt that may arise from time to time in respect of the offer, issue or allotment of all or any of the Securities.

By order of the Board

Gopal Krishnan
Co. Secretary &

Place : New Delhi
Dated : 27th August, 1998

Chief Internal Auditor

NOTES

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item 5 is annexed hereto.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company at its registered office not less than 48 hours before the meeting.

The Register of Members and Transfer books of the company will remain closed from Tuesday, the 22nd September, 1998 to Wednesday, the 30th September, 1998 (both days inclusive).

Pursuant to provisions of Section 205A of the Companies Act, 1956, unclaimed dividend amounts pertaining to the years ended 31st March, 1994 and 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Members who have not claimed their dividend for the said periods are requested to submit the application in the prescribed form to the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh, 286, Garha Road, Jalandhar. For any assistance, Members may approach the Share Department of the Company at Thapar House, 124 Janpath, New Delhi.

Members who have not encashed their Dividend Warrants pertaining to subsequent periods are requested to write to the Share Department of the Company.

Members are requested to notify change in their address, if any, alongwith Pin Code quoting their folio number to the Share Department of the Company.

Members still holding shares in identical names in more than one folio are requested to write to the Share Department of the Company alongwith the share certificates to consolidate their holdings under a single folio.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956

Item 6

As part of the financial restructuring exercise towards improving the debt-equity ratio and reducing interest costs, the Company proposes to raise funds from various sources in India and abroad in one or more tranches. Such further issue of securities to person(s) other than the Members of the Company requires approval of the Membes under Section 81 of the Companies Act, 1956.

Further the resolution also confers authority on the Board to take steps from time to time to cover corporate requirements.

Accordingly, approval of the members is being sought.

Directors recommended the resolutions for approval of the members.

No Director of the Company is concerned or interested in these resolutions.



JCT ELECTRONICS LIMITED



Regd. Office : A-32, Industrial Phase-VIII, SAS Nagar, Mohali-160 055 (Punjab)

ATTENDANCE SLIP

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the Company at A-32, Industrial Phase VIII, SAS Nagar, Mohali, Punjab on Wednesday the 30th September, 1998 at 3.00 p.m.

Signature of the shareholder/proxy present _____

1. Please hand over the attendance slip at the entrance of the meeting venue.
2. This attendance is valid only in case shares are held on the date of meeting.
3. In view of the statutory regulations no gifts/coupon will be given at the meeting.



JCT ELECTRONICS LIMITED



Regd. Office : A-32, Industrial Phase-VIII, SAS Nagar, Mohali-160 055 (Punjab)

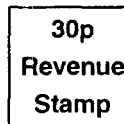
PROXY FORM

I/We _____ resident of _____
 _____ being a member/members of JCT ELECTRONICS LIMITED,
 hereby appoint _____ of _____
 _____ or failing him _____
 of _____ as my/our

proxy to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Wednesday, the 30th September, 1998 and any adjournment thereof.

Signed this _____ day of _____ 1998.

Signature _____



Note : The form duly completed and signed should be deposited at the registered office of the Company at least 48 hours before the time of the meeting.

