

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
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"/>		

MAGNA

MAGNA
ELECTRO
CASTINGS
LIMITED

Report  Junction.com

Annual Report
1996 - 97



MAGNA ELECTRO CASTINGS LTD

Board of Directors

Sri.L.G.Varadaraj (Chairman)
Sri.L.G.Ramamurthi (Vice Chairman)
Sri.V.Rajendran
Sri.J.Vijayakumar
Dr.Prem P Mohla
Sri.K.Gnanasekaran
Alternate : Dr.Prem P Mohla
Sri.N.Krishna Samaraj (Managing Director)

Auditors

M/s S.Krishnamoorthy & Co
Chartered Accountants
Coimbatore 12

Bankers

Corporation Bank
816 Oppanakara street
Coimbatore 641 001

Company Secretary

Sri. S.P.Murthy

Registrars & Share Transfer Agents

Sree Krishna Data Centre
PB No.2979, No.11, S.N.Das Layout
Street no.1, Tatabad
Coimbatore - 641 012

Registered Office

62 Balasundaram Road
Coimbatore 641 018

Factory

SF No.34 and 35 Part
Coimbatore Pollachi main road
Mullipadi village
Tamaraikulam Post
Pollachi taluk
Coimbatore District 642 109

MAGNA**NOTICE**

NOTICE is hereby given that the seventh Annual General Meeting of the members of Magna Electro Castings Limited will be held at 10.00 A.M. on Wednesday, the 17th September, 1997, at M/s Annalakshmi Foods Pvt. Limited, 106 A, Race Course Road, Coimbatore -641 018, 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 Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Sri.L.G.Ramamurthi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. J.Vijayakumar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. The present Auditors M/s S.Krishnamoorthy & Co., are eligible for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, with or without modifications to pass the following resolution as a Special Resolution.

RESOLVED that the following Article be inserted after the existing Clause 12 in the Articles of Association of the Company

"12 A. The Board may also appoint Alternate Directors under Section 313 of the Companies Act, 1956"

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

The Companies Act, 1956 empowers the Board of Directors to appoint Alternate Director(s), if so authorised by the Articles of Association of the Company. In order to vest such power in the Board, the above resolution is placed before the General body for the alteration of the Articles of Association of the Company.

None of the Director(s) is interested in the above resolution.

Coimbatore
30th June 1997

By order of the Board
S.P. Murthy
Company Secretary

NOTES

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and to vote instead of himself and a proxy need not be a member of the Company. Proxy forms in order to be effective must reach the Company's registered office not less than 48 hours before the meeting.
2. Please bring a copy of your annual report to the meeting.
3. The Register of Members of the Company will remain closed for a period of 16 days from 02.09.97 to 17.9.'97 (both days inclusive)

DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present their seventh Annual Report and Audited Accounts of the Company for the year ended 31st March 1997.

FINANCIAL RESULTS

	Accounting year ended 31.3.1997	Projections in terms of Prospectus dt 7.4.1994	Accounting year ended 31.3.1996
			(Rs.in lakhs)
Sales	708.65	1709.11	543.99
Other income	13.80	—	10.32
Total income	722.45	1709.11	554.31
Interest	42.39	79.52	43.77
Depreciation	30.86	52.34	29.06
Net Profit before tax	70.89	352.11	50.80
Provision for tax	—	146.29	—
Net Profit after tax	70.89	205.82	50.80
Balance brought forward	51.05		0.25
Surplus carried over	121.94		51.05

The Company's performance has not been in line with the projections issued in 1994. This situation has been brought about primarily by the following factors:

The Company had established itself as the market leader in the windmill castings sector. The last financial year has seen a precipitous drop in the demand for windmills and subsequently the companies shipments have been drastically affected.

The Company had also established itself as a leader in the supply of safety components for the truck industry. In the year under review, this market has also been affected badly due to the prevailing situation in the country.

Also, the sluggish market in the industry due to the recessionary environment, has not been conducive to the increased demand. This being especially true in the second half of the financial year in review.

In order to counter these trends the company is placing greater emphasis on developing the export markets and also plans to increase value addition by providing services like machining and finishing.

WORKING OF THE COMPANY

In spite of the unfavourable market conditions, the Company has registered a growth of 30.27% in turnover over the previous year and has also registered a growth of 33.66% in shipments and sold 2292.760 M/ts of castings for customers in varied industries ranging from automobile, engineering, windmills, compressors, hydraulic components, agricultural tractors, etc. The Profit before Depreciation Rs. 1,01,75,708/- has gone up by 27.41% over previous year.

No provision for Tax (Minimum Alternate Tax) has been made since the Board is of the view that Tax so paid can be treated as Advance Tax considering the future business prospects and actual Income tax liability thereon.

Due to lower than the projected profitability and in order to accumulate reserves for the future development of the company, the Directors do not recommend Dividend for this year.

EXPORTS

During the year, the Company has developed castings for American buyers, all of which have met the stringent quality requirements and has been approved by the overseas customers. Initial bulk batches