

12th ANNUAL REPORT

1996-97



Calcom

CREATING RIPPLES THROUGH ENGINEERING EXCELLENCE

MD				BKC	✓
CS				D?Y	NE
RO				DIV	NE
TRA				AC	✓
ACM	✓	✓		SHI	✓
YE	✓	✓	✓		



T.V. ASSEMBLY LINE AT SURAJPUR



PLASTIC MOULDING PLANT AT SURAJPUR

CALCOM VISION LIMITED**BOARD OF DIRECTORS**

Shri S.K. MALIK - Chairman
 Shri AIJAZ GHAFAR - Managing Director
 Shri VIVEK NARANG - Executive Director
 Shri M.K. VENKATACHALAM
 Shri KERSI H. VACHHA
 Shri C.S. AGGARWAL
 Shri S.K. BHATTACHARYA
 Shri HAMIDULLA KHAN

AUDITORS

M/s S. PRASHAD & CO.
 CHARTERED ACCOUNTANTS
 NEW DELHI

BANKERS

STATE BANK OF PATIALA
 CANARA BANK
 BANK OF INDIA

REGISTERED OFFICE

B-23/1, WAZIRPUR INDUSTRIAL AREA,
 DELHI - 110 052

WORKS

B-16, SURAJPUR INDUSTRIAL AREA,
 SITE-C, GHAZIABAD (U.P.)

SHED, F-9,10 MOHALI IND. AREA,
 PHASE - VIII, SAS NAGAR, MOHALI
 (PUNJAB)

REGISTRAR & TRANSFER AGENTS

ALLIED COMPUTER TECHNIQS PVT. LTD.
 FLAT NO. 18, 3RD FLOOR A-BLOCK,
 LOCAL SHOPPING COMPLEX, RING ROAD,
 NARAINA, NEW DELHI - 110 028

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ANNUAL GENERAL MEETING on THURSDAY, the 25th SEPTEMBER, 1997 at 9.00 A.M. at KALYAN KENDRA, 9, PASHCHIMI MARG, VASANT VIHAR, NEW DELHI-110057.

To facilitate registration, an ATTENDENCE SLIP is enclosed with this report. Shareholders attending the AGM are required to bring it with them and hand it over at the venue.

CHAIRMAN'S MESSAGE

Dear Shareholder,

We are in the midst of economic reforms bringing changes all around. These changes are also exerting lot of pressure on the Indian Industry affecting the demand for the industrial products and the bottomlines of the corporates. At Calcom we are not different. We passed through a very tough last year due to stagnating sales and bottomline coming under pressure. The reasons for general slow down in Consumer Electronics were liquidity crises and steep competition during most of the last year. But by the second half of the last year the situation improved slowly and we could pull up our sales atleast to the last year's level. The difficult times threw lot of oppurtunities for us to improve upon.

Calcom's R&D aggressively worked to launch new models with better aesthetics and additional features. A major cost reduction exercise has also been launched. The customer base has been expanded. We have taken exercise for reengineering our activities and processes. Price Water House & Assocaites have completed the organisational study specifically in the areas of organisational structure, business processes and how Information Technology can act as an enabler for improving the efficiency of the organisation as a whole. They submitted their report in February 1997.

The report triggered an improvement process all around the organisation and reorganisation of activities and processes happened in last few months alongwith a major thrust on Information Technology where we took decision for going ahead with ENTERPRISE RESOURCE PLANNING solution from Baan Infosystems, Netherland. Both Baan and Price Water House & Associates are involved in the exercise of implementation of this system. This exercise is continuing from mid May and is already in an advanced phase. We plan to complete the whole project and go live by February 1998. We have also finalised Mission statement to give the necessary thrust and focus to shareholders value alongwith customer & suppliers.

As you are very well aware that initiatives of this kind give tremendous opportunity to relook on whatever is historically done and a lot of improvements have started happening already. Your Company has also strengthened Human Resources and Development activities and a lot of emphasis is being laid on training and development of employees. We at Calcom feel that human resource is the most precious resource of the company.

I assure you that all these measures will lead to a better future and help in increasing the value of your share.

S.K. Malik
Chairman

OUR BELIEFS

- 1) Individual must be respected.
- 2) Customer must be given the best possible service.
- 3) Excellence and Superior Performance must be pursued.

CORPORATE MISSION

- 1) We shall make the Organisation more responsive to the needs of the society and wherein every member should be able to develop and contribute to his/her fullest potential.
- 2) We shall deliver error free competitive products and services on time to our customers that meet or exceed their expectations.
- 3) We shall be the market leader in domestic market for any product that we market/manufacture and be a global supplier of repute.
- 4) We shall maximise shareholder value.
- 5) We shall nurture vendors and establish long term working relation of mutual trust and loyalty.

DIRECTORS' REPORT

Dear Shareholders.

Your Directors have pleasure in presenting the Twelfth Annual Report on the operations of your Company together with Audited Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS AND APPROPRIATIONS

The working results of the Company are given below :

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Sales :	4088.15	4122.08
Profit before financial charges,		
Depreciation and tax :	345.77	304.07
Less : Financial Charges :	152.92	117.34
Less : Depreciation :	89.88	62.04
Profit before tax :	102.97	124.69
Less Provision for tax :	6.15	21.00
Profit after tax :	96.82	103.69
Add : Brought forward profit :	3.41	1.59
Less : Income Tax adjustment :	3.37	0.05
Prior period adjustment :	4.97	1.42
Profit for appropriation :	91.89	103.91
Appropriations :		
(a) Dividend :	----	39.00
(b) General Reserve :	85.00	61.50
Balance carried to Balance Sheet :	6.89	3.41

OPERATIONS : During the year sale of TV sets increased from 180934 to 200807 sets registering an increase of 11%. The sale value however was marginally lower at Rs. 4088.15 lacs as compared to Rs. 4122.08 lacs because of lower unit price realisation due to stiff market competition. However the Company could achieve higher profit before financial charges and depreciation of Rs. 345.77 lacs as against Rs. 304.07 lacs of last year due to savings effected in material cost. The profit before tax has been lower at Rs. 102.97 lacs as against Rs. 124.69 lacs due to higher incidence of financial charges on the loans taken for expansion last year and additional depreciation charges on the assets acquired for expansion project.

The expansion project of setting up plastic moulding plant at Surajpur and another TV assembly factory at Mohali (Punjab), was completed during the year and benefit of full year's operation will be available during current year. The sales from Punjab will enjoy sales tax exemption for seven years.

Having regard to the need for conserving resources to meet the increased funds requirement for a higher level of operation, no dividends are recommended for distribution for this year.

CURRENT YEAR PERFORMANCE : During first quarter i.e. April to June 97 your company registered sale of Rs. 1277.40 lacs compared to Rs. 574.92 lacs during the same period last year. The order booking is very good and we can look forward to a significant growth this year. The company has also taken export as a thrust area in the current year.

QUALITY : Company's main factory at Surajpur is working for ISO accreditation which is expected in October '97.

PERSONNEL

The employee relations in the Company on the whole has been excellent. Employee participation in various continuous improvement programmes conducted by the company is visibly on the rise. Your Directors acknowledge and thank the employees for their support and co-operation.

The statement pursuant to section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars of Employees as required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules 1976, are attached to this report.

DIRECTORS

Shri S.K. Malik and Shri C.S. Aggarwal will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

M/s S. Prasad & Co. Chartered Accountants the statutory auditors of the Company, retire on the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors are grateful to the various Government Authorities, Financial Institutions, Bankers, Business Constituents and Shareholders for their continued co-operation and support to the company.

Your Directors also express their deep appreciation of the devoted and unstinted services tendered by workers, staff and executives at all levels.

Place : Delhi

Date : 26.07.97

Registered Office :

B-23/1, Wazirpur Industrial Area

Delhi - 110 052

For and on behalf of the
Board of Directors

S.K. Malik
Chairman

Statement of particulars under section 217 (1) (e) of the Companies Act, 1956 forming part of the Director's Report for the year ended 31st March, 1997.

A. CONSERVATION OF ENERGY

(a) Energy conservation Measures Taken

- (1) Precautions have been taken to provide proper shunt capacitors in electrical circuits installed.
- (2) Lighting System has been designed to have optimum energy utilisation.
- (3) New plastic moulding machines installed consume 40% less power because of better technology. In addition to that, separate energy meters have been provided on each machine to monitor & control the energy consumption.
- (4) People have been trained on energy conservation and an energy audit is planned to identify the areas where further energy can be saved.

B. TECHNOLOGY ABSORPTION

(a) Research & Development

- (1) Specific area in which R&D is carried by the company.
- (i) Design and development of Television Receivers.
- (2) Benefits derived as a result of the above R&D.
- (i) Develop new TV models with better aesthetics & new electronics features.
- (3) Further plan of Action
To develop colour TVs and improve black & white TVs by design and features.
- (4) Expenditure on R&D (Rs. in lacs) 2.95 (Nil)

(b) Technology Absorption, Adoption & Innovation

(1) Efforts, in brief, made towards the technology adoption and innovation. None.

(2) Benefits derived N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned	(Rs. in lacs)	1.32	(61.93)
Foreign Exchange used	(Rs. in lacs)	11.06	(8.60)

Statement of particulars of employees pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 1976 and forming part of the Directors Report for the year ended 31st March 1997.

NAME	QUALIFICATION	DESIGNATION/ NATURE OF DUTY	GROSS REMUN- ERATION (Rs.)	AGE IN YEAR	YEARS OF EXPER- IENCE	DATE OF COMMENCEMENT OF EMPLOYMENT	PREVIOUS EMPLOYMENT
A. Ghaffar	M.Sc. Tech.	Managing Director	501490	54	33	04.03.95	U.P. Electronics Corporation
Vivek Narang	B. Com(H) A.C.A.	Executive Director	309963	35	13	03.02.96	Calcom Elec tronics Ltd.
L.M. Bhalla	B.Com.(H) F.C.A.	V.P. Finance	368675	54	30	13.11.95	Chambal Ferti lizers & Chemicals Ltd.
R. Dhawan	B.Tech	General Manager (Factory)	301524	47	24	23.12.93	Ahuja Radios

EMPLOYED FOR PART OF THE FINANCIAL YEAR

S.N. Mishra	BE. Tech.	Vice President	164474	50	25	24.09.96	Alps Industries Limited
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NOTES

1. All appointments are contractual in nature.
2. None of the employees named above is relative of any of the Directors.
3. Gross remuneration received includes salary, allowances, bonus, leave travel assistance, medical expenses and expenditure incurred by the company in providing, superannuation and gratuity fund etc.

PLACE : DELHI

DATE : 26.07.97

REGISTERED OFFICE

B-23/1, WAZIRPUR INDUSTRIAL AREA

DELHI- 110052

For and on behalf of the
Board of Directors

S.K. Malik
(Chairman)

AUDITORS'S REPORT**TO THE MEMBERS OF CALCOM VISION LIMITED**

We have audited the attached Balance Sheet of CALCOM VISION LIMITED, Delhi, as at 31st March, 1997 and Profit and Loss Account for the year ended on that date annexed thereto and report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit :
- b) Proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books :
- c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts :
- d) In our opinion and to the best of our knowledge and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account read with notes attached thereto in Schedule _ N give the information required by the Companies Act, 1956 in the manner so required and subject to Note No. 4 regarding recognition of unrealised gain on advance licences of Rs. 12.72 lacs gives a true and fair view :
 - i) In so far as it relates to Balance Sheet of the state of affairs of the Company as at 31st March 1997, and
 - ii) In so far as it relates to Profit and Loss Account, the profit of the company for the year ended on that date.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we further report on the matters specified in paragraph 4 and 5 of the said order that :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. Management has carried out physical verification of fixed assets during the year and no material discrepancies were noticed on verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores and spare parts and raw material have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable.
4. The procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
6. In our opinion and on the basis of our examination, the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year.
7. The company had taken unsecured loan from person listed in the register maintained under section 301 of the Companies Act, 1956. The terms and conditions are not prejudicial to the interest of the Company. It has been explained to us that there is no company under the same management as defined under Section 370(1B) of the Companies Act, 1956.
8. The Company has not given any secured/unsecured loans to the Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
9. No loans or advances in the nature of loans have been given by the Company, except to the employees of the company, who are regularly repaying the principal amount as stipulated.
10. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.