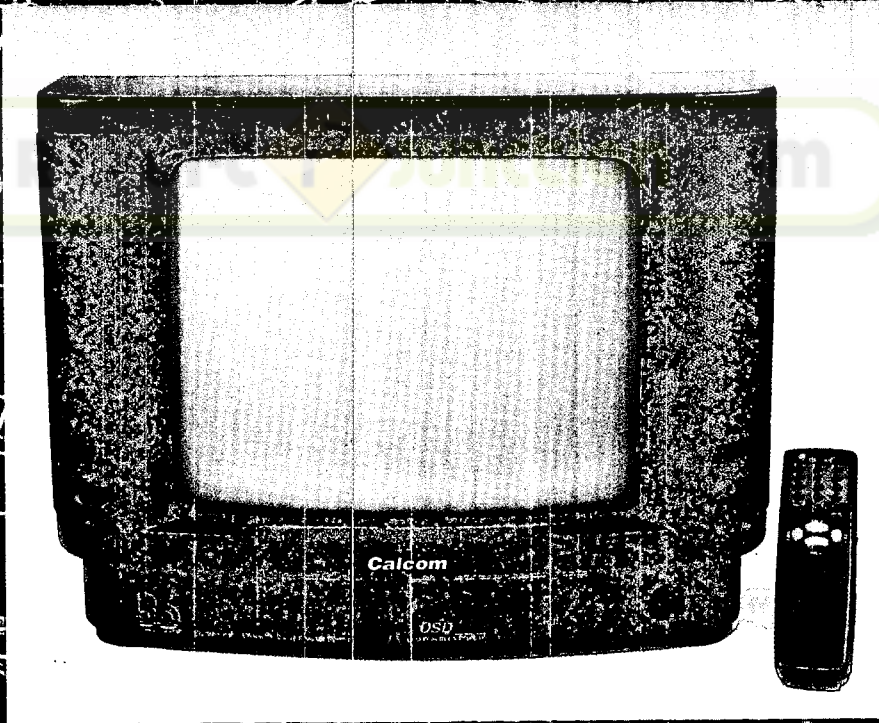


CALCOM VISION LTD.



13th Annual Report 1997-98



Calcom



Since its incorporation in the year 1990, Calcom Vision Ltd. has come a long way to become India's largest Black & White Television sets manufacturers.

Pioneering the concept of OEM in India, CVL augmented its operations to include Vacuum Cleaners and Hand Mixers.

Today Calcom Vision Ltd. has two assembling units at Surajpur (UP) and Mohali (Punjab) and has a workforce of more than 200 dedicated employees. CVL's recent turnover was Rs. 62 crores.

THE TECHNOLOGY

CVL uses State-of-the-Art technology to ensure optimum quality, more effective, efficient and productive service to its customers.

THE PRODUCTS

CVL's product portfolio comprises of Black & White TV sets. CVL's Domestic Appliances Division produces Hand Mixers and Vacuum Cleaners for Philips.

Our Beliefs

The individual must be respected.

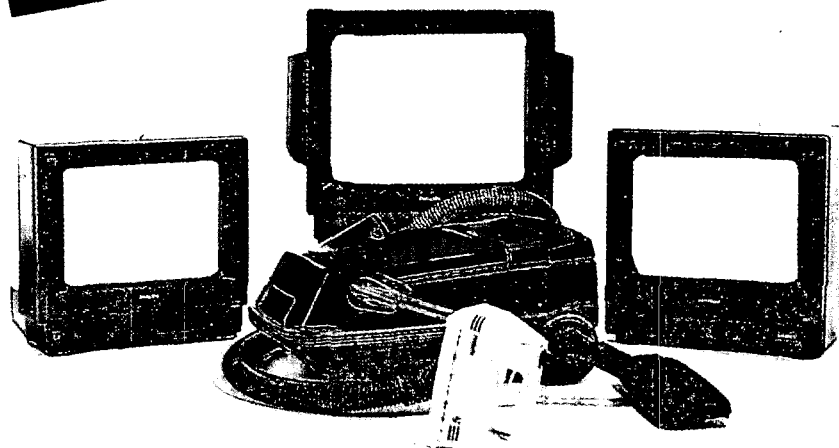
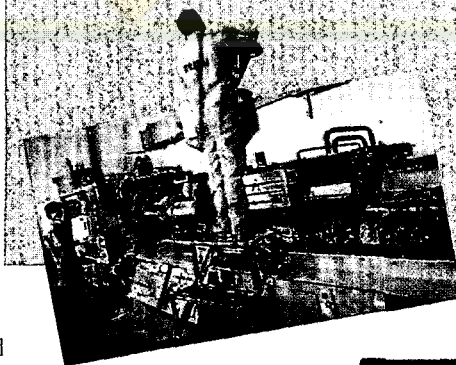
The customer must be given the best possible service.

Excellence & superior performance must be pursued.



Our Quality Policy:

We shall deliver error free competitive products and services on time to our customers that meet or exceed their expectations.



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, E-133, PHASE-VII.
 MOHALI INDUSTRIAL AREA, 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

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		✓

CONTENTS

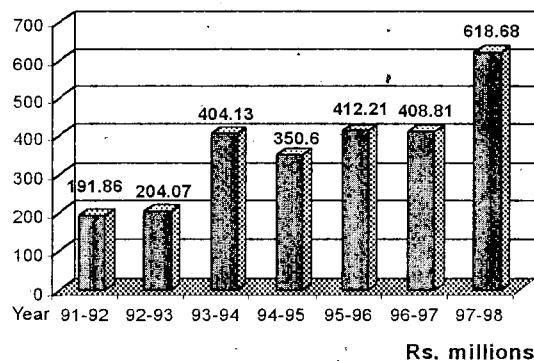
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ANNUAL GENERAL MEETING on THURSDAY the 24th SEPTEMBER, 1998 AT 9A.M. at KALYAN KENDRA, 9, PASHCHIMI MARG, VASANT VIHAR, NEW DELHI-110057.

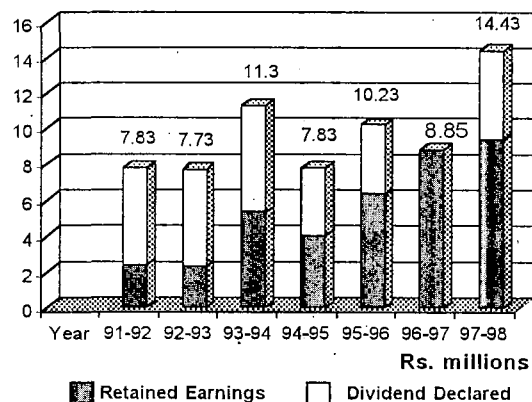
To facilitate registration, an ATTENDENCE SLIP is enclosed with this report. Shareholders attending the AGM are required to bring it with them and hand it over at the venue.

GRAPHICAL DISPLAY OF OUR ACHIEVEMENTS

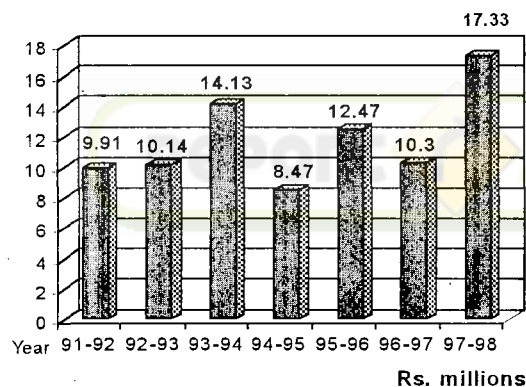
Sales



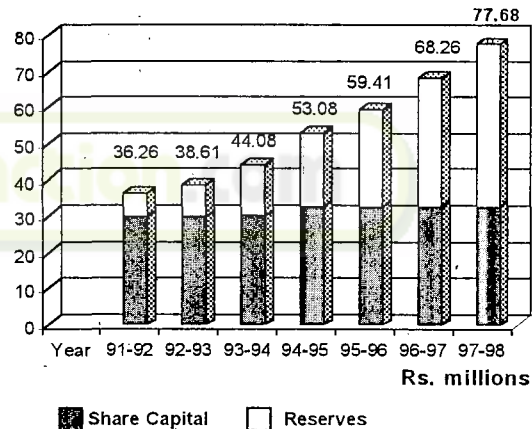
Dividend Declared/Retained Earnings



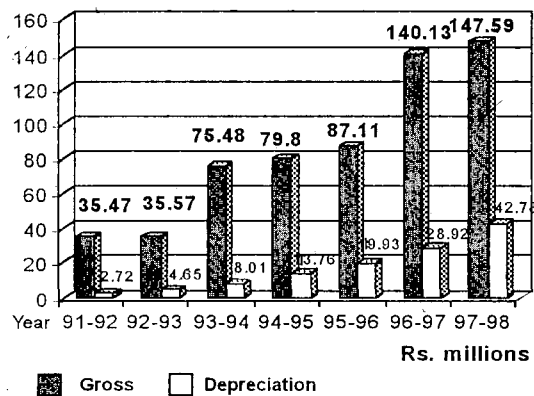
Profit Before Tax



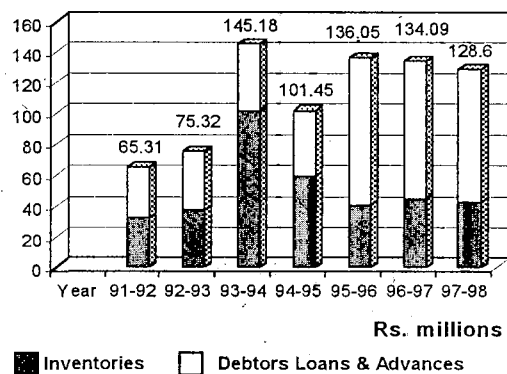
Networth



Fixed Assets



Current Assets



CHAIRMAN'S MESSAGE

Your Company has scaled new heights in turnover and profitability in the year 1997-98. The turnover rose from Rs. 4088.15 lacs in 1996-97 to Rs. 6186.86 Lacs in 1997-98 and profit after tax from Rs.96.82 Lacs to Rs.144.33 Lacs in the aforesaid years. The Board of Directors have approved a total dividend of 14% for the year as against nil dividend in the previous year.

The growth in B/W TV market in the country continued to be subdued but your company with constant watch on quality, and the market demand could maintain its market share though there was considerable pressure on margin. The company has received ISO 9002 accreditation during the year. The Company's project of Enterprise Resource Planning Solution from Baan Infosystems has started operation and will be fully operational in the next few months.

I am also happy to inform you that the company has completed arrangements for launching Colour TV, a new product and the regular production will commence shortly. Colour TV market in the country has been growing steadily at a satisfactory level and is likely to continue its growth trend in future also. The decision to go for CTV has been taken as part of the company's strategic business plans, and we have no doubt that this decision of your company will lead to achievable growth in turnover and profits. Your company is also taking steps to add some more products to its existing product line.

I seek your continued support for all our endeavours to take the company to new heights.

S.K. Malik
Chairman

NOTICE

Notice is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of the members of **CALCOM VISION LIMITED** will be held on Thursday the 24th day of Sept. 1998 at Kalyan Kendra, 9, Pashchimi Marg, Vasant Vihar, New Delhi-110057 at 9 A.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the Year ended on that date together with reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. Hamidulla Khan, who retires by rotation and being eligible offer himself for reappointment.
4. To appoint a director in place of Mr. M.K. Venkatachalam, who retires by rotation and being eligible offer himself for reappointment.
5. To appoint statutory auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED that in compliance with the provisions of Section 293(1) (a) of the Companies Act, 1956 and other provisions, if any, the consent of the company be and is hereby accorded to the Board of Directors of the Company for mortgaging in favour of State Bank of Patiala, Bank of India, Canara bank (hereinafter referred to as "A Bank Consortium") all the immovable properties of the Company, both present and future, all other fixed assets both present and future of the Company, as and by way of second charge and hypothecation of raw material, stock-in-process, finished goods, stocks and spares, book debts etc. as and by way of first charge to secure the payment of the cash credit and other facilities upto a maximum of Rs.25 Crores (Rupees Twenty Five Crores Only) together with interest, cost charges, expenses and other moneys payable by the Company to "A Bank Consortium" in relation thereto.

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to finalise with the Financial Institutions and/or Banks or other parties as the case may be, agreements and other documents, if any necessary for creating, mortgages and /or charges as aforesaid, to do all such acts, deeds, matters and things as may be necessary and/ or expedient for giving effect to this resolution."

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED that the consent of the Company be is hereby accorded in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company, wherever situated present and future, and the whole of the undertaking of the Company together with the power to take over the management of the business and concern of the Company in certain events (whether such power is contained in the documents creating the mortgage/charge or otherwise) to or in favour of Financial Institutions/Banks and/or other Lenders for availing financial assistance including Rupee term Loan(s)/ Foreign Currency Loan(s) for an amount not exceeding Rs. 770 lacs; together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other lenders, and incurred in terms and conditions of the Rupee Term Loan(s)/ Foreign Currency Loan(s)/ financial assistance obtained as aforesaid.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary

and/or alter the terms and conditions of the security aforesaid in consultation with financial institutions/banks/other lenders and mortgagees as may be necessary.

RESOLVED FURTHER THAT Board of Directors of the company be and is hereby authorised to prepare, finalise and execute in favour of the said financial institutions/banks/other lenders, the documents, writings and such other agreements, as may be necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds matters and things as may be necessary and/or expedient in that behalf.

8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED that in super session of the Resolution passed by the Company at the General Meeting held on 26.09.94 limiting the Borrowing Powers of the Board of Directors upto Rs.30 crores (Rupees Thirty Crores only), the consent of the Company be and is hereby granted and accorded to the Board of Directors pursuant to section 293(1) (d) and other applicable provisions of the Companies Act, 1956, for borrowing monies in any manner and from time to time for the purposes of the business of the Company upto a limit not exceeding in the aggregate Rs. 40 crores (Rupees forty crores only) exclusive of interest notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose and that the Directors are hereby authorised to execute such deeds, documents, papers, instruments or writings as they think fit in this regard."

Place : Delhi

Dated : 25.07.98

REGISTERED OFFICE

B-23/1, WAZIRPUR INDUSTRIAL AREA

DELHI : 110052

By order of the Board
For CALCOM VISION LIMITED

K.K. Mehra
V.P. (Finance)
& Company Secretary

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/HERSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
- 2.Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under items 6,7&8 is annexed hereto.
- 3.The Share Transfer Books and Register of Members of the Company shall remain closed from 18th September 1998 to 24th September 1998 (both days inclusive).
- 4.The final dividend as recommended by the Board of Directors, if approved by the Shareholders at the Annual General Meeting shall be paid to those members whose names appear under Register of Members of the Company on Thursday, the 24th September, 1998.
5. Members are requested to notify to the Company immediately any change in their address, if any, along with the PIN CODE.
- 6.The Company has to transfer the Unpaid/unclaimed dividend for the financial year ended 31st March, 1995 to the General Revenue Account of the Central Government in terms of the provisions of Section 205 A of the Companies Act, 1956, by 10th November, 1998, Shareholders who could not claim the said

dividend from the Company before the said date, may claim payment directly for the said unpaid dividend from the Registrar of Companies, NCT of Delhi and Haryana, C.G.O. Complex, Paryavaran Bhawan, Lodhi Road, New Delhi.

7. Members who have not encashed their Dividend Warrants pertaining to the financial year 1995-96 may write to the Company's Head Office at B-23/1 Wazirpur Industrial Area, Delhi -110052.

ANNEXURE TO THE NOTICE

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

ITEM NO. 6 & 7

Reference Item No.6, with the growth in the existing operations of the company and also for its diversification needs, the Company would be availing higher amount of working capital limits from its Bankers namely State Bank Of Patiala, Canara Bank and Bank of India (hereinafter referred to as "A Bank Consortium"). The working capital facilities from banks have to be secured by way of hypothecation of Raw materials, Stock in Process, Finished Goods, Stocks and Spares, Book Debts as First charge and Second charge on all fixed assets.

Reference Item No.7, The Company has been sanctioned a term loan of Rs. 70 lacs from Canara Bank and State bank of Patiala, (to the extent of Rs. 35 lacs each respectively) to part finance the implementation of ERP project. Further the company would also be approaching banks/financial institutions and/or other lenders for sanction and availment of financial assistance including Rupee Term loan(s)/Foreign currency loan(s) to extent of Rs.700 lacs for its expansion/diversification needs. The aforesaid Financial Assistance has to be secured by a first mortgage of all the movable and immovable properties of the Company, both present and future.

Section 293(1) (a) of the Companies Act, 1956 inter alia provides that the Board of Directors of a public company shall not, except with the consent of members in the General Meeting, sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the company, or where the company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. Since the mortgage and/or charge to be created as aforesaid may be considered to be the disposal of the Company's undertaking, it is considered advisable that the proposed creation of mortgage and/or charges be approved by the members of the Company by an Ordinary Resolution pursuant to section 293(1) (a) of the Act."The Board recommends the resolution at Item no. 6 & 7 for your approval.

None of the Directors is interested in the resolution.

ITEM NO.8

At the Annual General Meeting of the Company held on 26.09.94, the Members have passed a resolution authorising the Board of Directors to borrow upto Rs. 30 crores in accordance with the requirement of section 293(1)(d) of the Companies Act, 1956, which prescribes the limit of aggregate of the paid up capital and free reserves of the Company for borrowing by the Board of Directors of the Company. For the purpose of expansion/diversification need of the company, and to augment the long term resources of the Company, the Company may be required to borrow beyond Rs. 30 crore,. In order to enable the Board of Directors to borrow from Financial Institutions, it is necessary to enhance the limit of borrowing powers of the Directors from 30 Crores to 40 Crores.

The Board recommends the resolution for your approval.

None of the Directors is interested in the resolution.

Place : Delhi

Dated : 25 -07-98

Registered Office :

B-23/1, WAZIRPUR INDUSTRIAL AREA

DELHI : 110052.

By order of the Board
for CALCOM VISION LIMITED

K.K. Mehra
V.P. (Finance)
& Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirteenth Annual Report on the operations of your Company together with Audited Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS AND APPROPRIATIONS

The working results of the Company are given below:

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Sales	: 6186.86	4088.15
Profit before Financial Charges,	:	
Depreciation and Tax	: 569.97	345.77
Less: Financial Charges	: 256.62	152.92
Less: Depreciation	: 140.02	89.88
Profit Before tax	: 173.33	102.97
Less: Provision for tax	: 29.00	6.15
Profit after tax	: 144.33	96.82
Add : Brought forward Profit	: 6.89	3.41
Less : Income Tax adjustments/ Prior period adjustments	: .07	8.34
Profit available for appropriation	: 151.15	91.89
Appropriations :		
(a) Dividend (including tax on dividend)	: 50.05	-----
(b) General Reserve	: 90.00	85.00
Balance Carried to Balance Sheet	: 11.10	6.89

DIVIDEND

Your Directors are pleased to recommend a dividend of 4% (in addition to 10% interim dividend already paid) thereby taking the final dividend to 14% for the financial year 97-98. The cash out flow on account of interim and final dividend including the tax on dividends would amount to Rs. 50.05 lacs and would be met out of current year's profit.

OPERATIONS

The Directors are pleased to inform that during the year under review your company achieved an impressive growth in the turnover and profitability. The turnover of the company increased from Rs. 4088.15 lacs to Rs. 6186.86 lacs, registering a growth of more than 50% over the previous year. The profit before financial charges and depreciation amounted to Rs. 569.97 lacs as compared to Rs. 345.77 lacs in the previous year, a growth of 64.8%. The profit before tax and after providing substantially higher amounts of interest & depreciation charges increased to Rs. 173.33 lacs from Rs. 102.97 lacs in the previous year.

Despite the highly competitive market conditions the sale of TV - sets increased from 2,00,817 sets to 3,06,757 sets reflecting increase of more than 50% per cent over the previous year. The TV assembling plant at Mohali (Punjab) was fully operational during the year under the review and contributed towards the increased turnover and profitability of the company. Costs and expenses are under constant watch and monitoring.

The company has always been placing major thrust on the quality control and was successful in obtaining ISO 9002 accreditation in its TV assembling Plant at Surajpur.