

Electrolux
Kelvinator

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



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1997 - 98

MAHARAJA
INTERNATIONAL
LIMITED

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MAHARAJA INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Mr. Uno Harry Lennart Ribohn	-	Chairman
Mr. Ram S. Ramasundar	-	Managing Director
Mr. Harish Kumar	-	Vice Chairman
Mrs. Anita Kumar	-	Director
Mr. Fredrik Jan Olof Ramen	-	Director
Mr. Torsten G. Knutsson	-	Director
Mr. Inder Kumar Khosla	-	Director

ALTERNATE DIRECTORS

Mr. G. S. Davar	-	Alternate for Mr. Uno Harry Lennart Ribohn
Mr. Dinkar Goswami	-	Alternate for Mr. Fredrik Jan Olof Ramen
Mr. Per Olof Albert (Olle) Wallen	-	Alternate for Mr. Torsten G. Knutsson

COMPANY SECRETARY

Mrs. Geeta Puri Seth

BANKERS

Citibank N.A.
The Hongkong & Shanghai Banking Corporation Ltd.
Credit Agricole Indosuez
Standard Chartered Bank

AUDITORS

M/s. Price Waterhouse
Chartered Accountants
B-102, Himalaya House,
Kasturba Gandhi Marg,
New Delhi - 110001

REGISTERED OFFICE & WORKS

SP-1, Vigyan Nagar,
RIICO Industrial Area,
Shahjahanpur, Tehsil : Behror,
Distt. Alwar, Rajasthan

CORPORATE OFFICE & INVESTORS' SERVICE CENTRE

U & I Centre,
580, Delhi - Palam Vihar Road,
Bijwasan, New Delhi - 110061

REGISTRAR & SHARE TRANSFER AGENT

Allied Computer Technics Pvt. Ltd.
Flat No. 18, Block 'A', IIIrd Floor,
Local Shopping Complex,
Ring Road, Naraina,
New Delhi - 110028



MAHARAJA INTERNATIONAL LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON FRIDAY, THE 25TH SEPTEMBER, 1998 AT 11.00 A.M. AT SP-1, VIGYAN NAGAR, RIICO INDUSTRIAL AREA, SHAHJAHANPUR, DISTRICT ALWAR, RAJASTHAN, TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at 31st March, 1998 and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Fredrik Jan Olof Ramen who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs. Anita Kumar who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors for the Financial Year 1998-99 to hold office from the conclusion of the Ninth Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Price Waterhouse, Chartered Accountants, the retiring Auditors are eligible for appointment.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Ram S. Ramasundar for whom the Notice has been received under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 269 read with "Schedule XIII" and other applicable provisions of the Companies Act, 1956 [including any modification(s) or re-enactment(s) thereof for the time being in force] and subject to such necessary approvals, consents, permission of the Central Government, Reserve Bank of India and other appropriate Authorities, Institutions and Bodies to the extent necessary and subject to such conditions and modification(s), as may be prescribed or imposed by them in granting any such approvals, permissions or consent, which may be agreed upon by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the appointment and the remuneration payable to Mr. Ram S. Ramasundar, as "Managing Director" of the Company within the meaning of Section 2 (26) of the Companies Act, 1956 for the period of 60 months with effect from 12th January, 1998 on the following terms and conditions abstracts of which have already been circulated to the members as provided under Section 302 of the Companies Act, 1956 :

- (a) Basic annual salary - Rs. 10,50,000/- per annum.
- (b) The Company will provide a telephone at his residence for official purposes, cost of all personal calls would be recovered from him.
- (c) He will be provided with a Company Car and a driver for official use. Cost of personal use of the car would be recovered from him.
- (d) He will be entitled to 30 days of annual vacation during each year of service and unutilised leaves can be encashed as per the Company's Policies.
- (e) He will be entitled for those local holidays as recognised by the Company.
- (f) The Company will contribute @ 25% of his basic salary to the Provident Fund / Superannuation Fund / Gratuity Fund.
- (g) Gratuity shall be payable at a rate not exceeding half a month's salary for each completed year of service.
- (h) The provisions of these benefits will be in accordance with the Company's Policies.
- (i) Other admissible benefits as per the Company's Policies."

"RESOLVED FURTHER THAT Mr. Ram S. Ramasundar would be entitled to draw the above remuneration even in those financial years during which the Company has no Profit or its Profits are inadequate."



MAHARAJA INTERNATIONAL LIMITED

7. To Consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to Section 293(1)(d) of the Companies Act, 1956, and in supersession of the resolution passed at the Annual General Meeting held on 24th September 1996, the Board of Directors of the Company be and is hereby authorised to borrow any sum or sums of money, from any Bank and/or Financial Institutions and/or Bodies Corporate from time to time, notwithstanding that the money or moneys to be borrowed together with the moneys already borrowed by the Company apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business may 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, provided, however the total amount so borrowed (excluding interest) shall not exceed Rs. 100 Crores (Rupees One Hundred Crores) at any point of time."

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

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorised in terms of Section 293(1)(a) and other applicable provisions, of the Companies Act, 1956, to mortgage, hypothecate, pledge, charge, all or any part of the immovable and movable properties of each and every kind whatsoever, of the company wherever situate, present and future, in favour of Banks, Financial Institutions or any other person or body corporate for the purpose of securing any money/moneys borrowed or to be borrowed, by the company on such terms and conditions as may be deemed fit and proper by the Board :"

By order of the Board of Directors
for MAHARAJA INTERNATIONAL LIMITED

Date : August 14, 1998
Place : New Delhi

Sd/-
GEETA PURI SETH
COMPANY SECRETARY

NOTES :

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no(s).5 to 8 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IN ORDER TO BE EFFECTIVE, SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
3. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books shall remain closed from 18th September, 1998 to 25th September, 1998 (both days inclusive).
4. The Directors' Report, Auditors' Report, Audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date are enclosed.
5. Members holding Shares in identical order of names in more than one Folio are requested to write to the Company enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio. Members are requested to notify correction/change in address, if any, to the Company at its Registered Office, quoting their Folio Number.
6. Members desiring any information on the Accounts are required to write to the Company at its Registered Office, giving at least 7 days notice prior to the date of Annual General Meeting to enable the Management to compile and keep the information ready.
7. Members/proxies should bring the Attendance Slip sent herewith, duly filled in for attending the meeting. Members/Proxies are requested not to bring their family as the same creates administrative difficulties. Members/Proxies are requested not to bring any briefcase, suitcase, handbags, carrybags, etc., as the same will not be allowed to be taken inside the premises for security reasons.
8. Members are requested to bring their copy of this Annual Report to the Meeting.
9. **NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.**

**EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.5 :

Mr. Ram S. Ramasundar was appointed as an Additional Director in the Board Meeting held on 12th January, 1998 and as per the provisions of Section 260 of the Companies Act, 1956 holds office upto the date of the Ninth Annual General Meeting of the Company. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a member signifying the intention to propose Mr. Ram S. Ramasundar as a Director, along with a deposit of Rs. 500/-.

The Board of Directors recommend the Resolution for approval by the Members.

None of the Directors, except Mr. Ram S. Ramasundar, is interested or concerned in the Resolution.

Item No. 6 :

Mr. Craig I. Ibsen resigned as "Manager" of the Company within the meaning of Section 2(24) of the Companies Act, 1956 designated as "President", on 12th January, 1998.

Mr. Ram S. Ramasundar was co-opted as an Additional Director and appointed as the Managing Director of the Company within the meaning of Section 2(26) of the Companies Act, 1956, for a period of 60 months with effect from 12th January, 1998, subject to the approval of the Shareholders and the appropriate Authorities. The Terms & Conditions of his appointment are detailed in the Resolution and as per Section 269 of the Companies Act, 1956, read with Schedule - XIII. Shareholders' approval is sought to the appointment and remuneration payable to Mr. Ram S. Ramasundar as the Managing Director of the Company.

The Board of Directors recommend the Resolution for approval by the Members.

None of the Directors, except Mr. Ram S. Ramasundar, is interested or concerned in the Resolution.

Item No.7 :

Under Section 293(1)(d) of the Companies Act, 1956 the Board of Directors can't, except with the consent of the Company in General Meeting borrow moneys apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid-up Capital and free reserves, that is to say reserves not set apart for any specific purpose, of the Company.

The Company has been managing the borrowing of moneys for its requirements within the earlier limit of Rupees Seventy Crores, authorised by the members in the Annual General Meeting held on 24th September, 1996. However, in view of the increasing business operations of the Company by way of expansion projects, the borrowings in the current year for augmenting the Capital Expenditure and Long Term Working Capital requirements are likely to go up beyond the limit of Rupees Seventy Crores. In view thereof, it is considered necessary to obtain shareholders' approval for such loans as may be necessary to meet the financial needs within the limits of Rs. 100 Crores as stipulated in the resolution.

The Board of Directors recommend the Resolution for approval by the Members.

None of the Directors is concerned or interested in this resolution.

Item No.8 :

In order to avail the loan facilities, the Company may have to provide securities for the loan for which charge(s) are required to be created. The resolution provided at Serial No.8 is intended to give power to the Board to create charge(s) on the movable and immovable properties of the company, as per Section 293(1)(a) of the Companies Act, 1956.

The Board of Directors recommend the Resolution for approval by the Members.

None of the Directors is concerned or interested in this resolution.

Note : The documents referred herein above may be inspected at the Registered Office of the Company on any working day during business hours.

By order of the Board of Directors
for MAHARAJA INTERNATIONAL LIMITED

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors have pleasure in presenting their Ninth Annual Report on the operations of the Company and the Audited Statement of Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	<u>For the year</u> <u>1997-98</u>	(Rupees in Lacs) <u>For the year</u> <u>1996-97</u>
Total Income	21767.08	6984.47
Profit/(Loss) before Depreciation and Interest	(824.32)	(1611.40)
Less : Interest	689.54	473.80
Profit/(Loss) after Interest but before Depreciation	(1513.86)	(2085.20)
Less : Depreciation	511.77	266.10
Profit/(Loss)	(2025.63)	(2351.30)

OPERATIONS

During the year under review, your Company recorded a turnover of Rs.215.05 Crores as compared to turnover of Rs.68.84 Crores in the previous year, thus an increase of 212.39% over the previous year. As a percentage of Sales Value, the Net Loss has decreased from 34.15% to 9.42%.

MARKETING OVERVIEW

On 1st January, 1997, the company re-launched "KELVINATOR" brand in India. Since then, the Company has focussed on building a strong market for the Brand. The market share of the "KELVINATOR" brand has been increasing and by this year end the "KELVINATOR" brand's market share would be 20%. The Advertising campaign during the year was based on building the emotional values and the core values of the "KELVINATOR" brand.

The Company has successfully introduced the "Mastercool" - KELVINATOR Refrigerator in the 165 ltrs. size for the economy segment. During July 1998, a new range "**PREMIUM GOLD COLLECTION**" has been launched under the "Maxicool" series in two different sizes of 165 ltrs. and 210 ltrs. The Company has plans to introduce various models in the Conventional and Frost Free Segment during the last quarter of the current year.

The Company will continue to drive growth in Volumes, Brand's Market Share and Profitability.

FINANCE

During the year under review the Rights Issue of Equity Shares aggregating to Rs.34.16 Crores has been successfully completed. Subsequent to the Rights Issue, the Equity Share Capital of the Company has increased to Rs.68.09 Crores in which 55.81% Equity Stake is held by AB Electrolux. Since the business operations of the Company resulted in the erosion of 50% of the Peak Net Worth in the last financial year and continue to remain so, a reference has been made to the Board for Industrial and Financial Reconstruction (BIFR) under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the Public or Shareholders or Employees.

MANAGEMENT

During the year, Mr.Craig I.Ibsen resigned as President of the Company. The Directors place on record their appreciation for the valuable contribution extended by Mr.Craig I.Ibsen during his tenure as President.

Mr.Ram S.Ramasundar has taken over as Managing Director with effect from 12th January, 1998. Mr.Ram S.Ramasundar has about 22 years of management experience with the multinational companies and the Company is assured of the best results under his leadership.

Pursuant to Article 89 of the Articles of Association of the Company, Mr.Fredrik Jan Olof Ramen and Mrs.Anita Kumar retire by rotation and being eligible offer themselves for reappointment.

AUDITORS & AUDITORS' REPORT

M/s Price Waterhouse, Chartered Accountants, the Auditors retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. A Certificate in terms of Section 224(1B) of the Companies Act, 1956 has been received from them.

The Auditors' Report and the Notes to Accounts referred therein are self-explanatory.

PERSONNEL

The Statement under Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in Annexure 'A', forming part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS / OUTGO

The information required under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure - 'B', forming part of this report.

INFORMATION UNDER THE LISTING AGREEMENT WITH THE STOCK EXCHANGE(S)

The information required to be provided under the Listing Agreement with the Stock Exchange(s) is given in Annexure - 'C', forming part of this report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to various Central & State Government Authorities, Bankers, Financial Institutions, Shareholders and other business Associates for their valuable co-operation and assistance. The Directors also wish to place on record their sincere appreciation for the contribution made by the Employees at all levels.

On behalf of the Board of Directors
for MAHARAJA INTERNATIONAL LTD.

Date : August 14, 1998
Place : New Delhi

Sd/-
RAM.S.RAMASUNDAR
MANAGING DIRECTOR

Sd/-
HARISH KUMAR
VICE CHAIRMAN

Annexure 'A' to the Directors' Report

Statement of Particulars under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 forming part of the report of the Directors for the year ended 31st March, 1998.

(A) Employed throughout the Financial Year under review and were in receipt of remuneration for financial year in aggregate of not less than Rs. 3,00,000/-.

Name	Designation & Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience (Yrs.)	Date of Commencement	Age (Yrs.)	Particulars of Last Employment
Merlin Poljak	Business Controller	5,75,810	M.B.A. (Controls)	8	01-01-1996	32	General Manager Electrolux Poland (2 Years)
Arun Sharma	Director - Sales	5,33,362	B.A.(Hons.) Economics	21	15.01.1996	44	Head of Marketing & Sales Modi Hoover Ltd. (2 Years)
R Chandrababu	General Manager - South	3,10,218	B.Sc., PG Dip (BM)	30	31.07.1995	51	Sr.RM - South Expo Machinery Ltd. (14 Years)
S K Ahuja	General Manager - North	3,39,303	B.A.	27	11.11.1995	49	RM (Sales) Expo Machinery Ltd. (14 Years)
K M Dass	General Manager - East	3,08,022	Dip (Mech. Engg)	25	15.09.1995	44	Dy Chief Mktg. Manager - East Expo Machinery Ltd (7 Years)
M C Mittal	General Manager - Works	3,98,400	BE (Elec.Engg.)	26	07.07.1996	47	Director - Project Planning Whirlpool of India Ltd. (17 Years)

(B) Employed for Part of the Financial year under review and were in receipt of remuneration for any part of the Financial year at rate which in aggregate was not less than Rs. 25,000/- P.A.

Name	Designation & Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience (Yrs.)	Date of Commencement	Age (Yrs.)	Particulars of Last Employment
Ram S Ramasundar	Managing Director	3,18,139	CA, CS, MBA	16	17.12.1997	48	Market Unit Director Pepsi Co (5 Years)
Arjan Gursahaney	Chairman & Managing Director	1,70,359	BE (Elec.)	35	25.03.1995	56	Executive Vice President (Marketing) Frigidaire US
Craig I Ibsen	Vice President	5,70,216	MBA, Under Graduate Degree (Eco)	14	26.04.1996	37	Managing Director Modi Hoover Ltd.
Vijay Grover	General Manager - West	3,34,961	BE(H), PGCGM	24	02.07.1996	48	General Manager Polar International Ltd. (1 Year)
Jitender Mahajan	Sr. Manager - Accounts	2,61,452	CA, CS	10	26.08.1997	34	Sr. Finance Manager Crompton Greaves (7 Years)

NOTES : (1) The remuneration includes Basic Salary, Allowances, Medical, LTA, Sales Incentive.
(2) None of the Employees is a relative of any Director of the Company.

Annexure 'B' to the Directors' Report

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

1. **CONSERVATION OF ENERGY**

- Energy Conservation Measures taken :
The company is using the Compressor with higher Energy efficiency ratio and higher insulation thickness in our product. Also we have optimised and upgraded our system design with continuous improvement to keep energy consumption at low level.
- Additional investments and proposals if any being implemented for reduction of consumption of energy :
The Company has installed new highly fuel efficient DG Sets to conserve energy. New type of Lighting Fixtures, with reflectors have been installed to reduce the load.
- Impact of Measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production :
Positive impact of measures already taken has been felt on the cost of production.

2. **RESEARCH & DEVELOPMENT (R & D) :**

- Specified areas in which R&D carried out by the Company :
Upgradation, Quality improvement of 165, 210 Ltrs Maxi Cool & Super Cool Refrigerator and Development of 210 Ltrs Super Cool Supreme Model. Designing of new range named Premium Gold Collection, 315 Ltrs. Double Door with new features has also been developed.
- Benefits derived as a result of the above R&D :
Establishing product in Market with wide product range resulting in increasing market share, improving product quality and re-establishing "Kelvinator" brand name.
- Future Plan of Action :
 - Plant conversion to CFC Free products is expected around year 2000.
 - Improving Test Facilities and CAD Systems.
- Expenditure on R&D :
Expenditure is charged under respective primary head of Accounts.