

MD	✓	OKC	✓
CS	✓	DT	✓
RC	✓	ST	✓
TE	✓	NA	✓
TE	✓	MB	✓
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23rd
ANNUAL REPORT
1997-98

Report  Junction.com

INTRON 
LIMITED
AN ELECTROLUX GROUP COMPANY

BOARD OF DIRECTORS

LENNART RIBOHN	-	Chairman
INDER K.KHOSLA	-	Vice Chairman
FREDRIK RAMEN		
TORSTEN KNUTSSON		
PIETRO GAVA		
B.L. MOZA	-	Nominee HSIDC
A.P. CHAMOLI	-	Nominee HSIDC

ALTERNATE DIRECTORS

LUCIANO MACUGLIA	-	Alternate to Pietro Gava
G.S. JAVAR	-	Alternate to Fredrik Ramen
DINKAR GOSWAMI	-	Alternate to Torsten Knutsson

PRESIDENT

RAM S. RAMASUNDAR

BUSINESS CONTROLLER ('MANAGER')

MERLIN POLJAK

CHIEF CONTROLLER

SANJIV MISRA

FINANCIAL CONTROLLER

BHARAT MADAN

AUDITORS

M/s. Price Waterhouse
 Chartered Accountants
 PW Centre
 Saidulajab, Mehrauli Badarpur Road,
 Opp. D-Block, Saket, New Delhi-110 030

PRINCIPLE BANKERS

CITIBANK N.A.
 STANDARD CHARTERED BANK

REGISTERED OFFICE

Flat No.201-203,A-22, Green Park
 Aurobindo Marg,
 New Delhi-110016

WORKS & CORPORATE OFFICE

Plot 7-C, Sector 18,
 Maruti Industrial Area,
 Gurgaon - 122 015 (Haryana)

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INVESTORS' INFORMATION

1. Date, Venue and time of the Annual General Meeting : Date : 24th September, 1998
Time : 10.00 A.M.
Venue : Shah Auditorium, 2 Raj Niwas Marg,
Civil Lines, Delhi-110054.
2. Book Closure Dates : 16th September, 1998 to 24th September, 1998
(both days inclusive)
3. The Company's Shares are listed on Stock Exchange at : Delhi and Mumbai
4. Share Transfers, queries concerning your investments and other communications should be sent to : Investor Services Cell
INTRON LIMITED
Flat 201 - 203, A-22, Green Park
Aurobindo Marg,
New Delhi- 110 016

GENERAL

5. It is advisable to buy securities only from Sharebrokers who are registered with the Stock Exchanges.
6. The Transfer Deed is valid for a period of one year from the date of presentation (indicated at the top of the form by a rubber stamp) or the Book Closure **whichever is later**. Therefore, please arrange to lodge the transfer forms along with the share certificates within the aforesaid validity period if you desire to get the shares registered in your name.
7. Before sending the Transfer Deeds with share certificates to the Company please retain photocopies of the Transfer Deed (both front and back page) which will help in retrieving the details of the documents sent if they get misplaced or lost in transit.
8. Please quote your Folio Number in all correspondence and send separate letter for each type of complaint/query/request. You may, however, send all the letters in one envelope.
9. Please give your complete address with **PIN CODE** while communicating with the Company.
10. To enable the Company to provide better and more efficient service, please write to the company to consolidate your multiple folios.



NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of INTRON LIMITED will be held on **Thursday, the 24th September, 1998 at 10.00 a.m. at Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi - 110054**, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 1998 and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Fredrik Ramen, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors for the financial year 1998-99 to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise Board of Directors of the Company to fix their remuneration. M/s. Price Waterhouse, Chartered Accountants, the retiring Auditors, are eligible for reappointment.

SPECIAL BUSINESS

4. 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 198, 269, 387, 388 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 the approvals of such other authorities as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Mr. Merlin Poljak as 'Business Controller' holding the office of 'Manager' in the Company within the meaning of Section 2 (24) of the Companies Act, 1956 for a period of twelve (12) months with effect from 12th January, 1998. The Company will not pay Mr. Poljak any remuneration. However, his country specific expenses in relation to his official duties will be borne by the Company."

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government of the provisions of the Companies Act, 1956 relating to managerial remuneration, the Board of Directors be and is hereby authorised to determine the remuneration payable to Mr. Merlin Poljak, including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the aforesaid terms and conditions of appointment of Mr. Merlin Poljak be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in a General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, to give effect to this resolution."

By Order of the Board
For INTRON LIMITED

Place : New Delhi
Date : 29th July 1998

BHARAT MADAN
Financial Controller

NOTES

1. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business under item 4 as set out above is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT 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 will remain closed from **Wednesday, the 16 th September 1998 to Thursday, the 24 th September 1998 (both days inclusive)**.
4. Members/Proxies shall bring the Attendance Slip duly filled in for attending the Meeting. **No attendance Slip will be provided at the venue of the Annual General Meeting. Corporate Members are requested to send a copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.**
5. Members desiring any information on the Accounts are required to write to the Company at its registered Office at Flat 201-203, A-22, Green Park, Aurobindo Marg, New Delhi -110016, giving at least 7 days notice prior to the date of the Annual General Meeting to enable the Management to collect and keep the information ready.
6. **Member are requested to bring their copy of the Annual Report with them to the Meeting.** As a measure of economy, additional copies of the Annual Report will not be supplied at the Meeting.
7. **Member/ Proxies are requested not to bring any briefcase, suitcase, handbags, carry-bags etc., as the same will not be allowed to be taken inside the auditorium for security reasons.**

NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.

EXPLANATORY STATEMENT

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

Item No.4

Pursuant to the relocation of Mr. Craig I. Ibsen within the Electrolux Group and his resultant resignation as 'Manager' of the Company designated as 'President' with effect from 12th January 1998, Mr. Merlin Poljak was appointed by the Board of Directors of the Company as the 'Manager' of the Company within the meaning of Section 2(24) of the Companies Act, 1956 and designated as 'Business Controller' for a period of twelve months with effect from 12 th January 1998, subject to the approvals of the Shareholders and other appropriate authorities. No remuneration will be payable to him by the Company. However, Mr. Poljak will be reimbursed all expenses incurred by him in respect of his official duties on the Company's account.

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

The Board recommends the resolution for approval.

By Order of the Board
For **INTRON LIMITED**

Place: New Delhi
Date: 29th July 1998

BHARAT MADAN
Financial Controller

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Third Annual Report along with the Audited Accounts of the Company for the year ended March 31st, 1998.

Financial Results

	Year Ended 31st March'98 (Rs. in lakhs)	Fifteen Months Ended 31st March'97 (Rs. in Lakhs)
Total Income	775.18	142.10
(Loss) before Depreciation & Interest	(175.70)	(201.68)
Interest	226.52	302.21
(Loss) after Interest but before Depreciation	(402.22)	(503.89)
Depreciation	46.72	45.76
(Loss) for the period	(448.94)	(549.65)
Prior Period Interest	26.00	Nil
(Net Loss) Carried to balance Sheet	(474.94)	(549.65)

Operations & Prosepects

During the year under review, your Company recorded a turnover of Rs. 555.04 lakhs resulting in a net loss of Rs. 448.94 lakhs before prior-period adjustments. The results are net of waiver of Rs. 167.64 lakhs of interest which your Company received pursuant to a one time settlement of dues with Canara Bank.

Your Company launched its washing machines in mid 1997 under the brand name 'Electrolux' and also entered into an agreement with M/s Maharaja International Limited (MIL), another joint venture of AB Electrolux in India, for distribution of its Washing machines. MIL has a wide distribution network and this has given your Company almost an instant access to the markets in all major cities in India.

In December'97 the Company also launched an upgraded model of its washing machine 'Electra Care-1000' which is superior in aesthetics and features. The Company also plans to launch the lower end model in the current financial year to gain better market presence and larger market share.

During the year your Company had made a reference to the Board for Industrial & Financial Reconstruction (BIFR) which was rejected by the Board on technical grounds. However, since the accumulated losses of the Company continue to exceed its paid-up share capital as at 31 st March 1998, the Company may approach BIFR again as a matter of Statutory Compliance after seeking necessary opinion from its solicitors.

Share Capital

The equity share capital of your Company increased on 12th January 1998 from Rs. 1525.05 lakhs to Rs. 1627.09 lakhs pursuant to conversion of 10% 50,000 Cumulative Convertible Preference Shares (CCPS) of Rs. 100/- each held by IFCI into 5,00,000 equity shares Rs. 10/- each for cash at par and the resultant allotment of 5,20,408 equity shares of Rs. 10/- each for cash at par to AB Electrolux, Sweden against the Share Application Money Pending Allotment to enable AB Electrolux to maintain its shareholding in the expanded share capital base of the Company at 51%



Rights Issue

To enable your Company to strengthen its net worth and also to meet its long term working capital needs your Company has decided to offer equity shares aggregating to Rs. 1627.55 lakhs to the existing shareholders on a Rights basis in the ratio of one share for every one share held on the Record Date. The Issue is presently open for subscription. However, keeping in view the present capital market conditions, AB Electrolux has undertaken to subscribe to the unsubscribed portion of the Rights Issue upto a maximum of 90% of the Issue size, the minimum subscription required to complete the Issue. This will increase the shareholding of AB Electrolux in the expanded share capital of the Company post-Issue to approx. 74%. The necessary approvals from the Government of India and Reserve Bank of India in this connection have already been obtained.

Fixed Deposits

During the year the Company has neither accepted nor invited fixed deposits from the public or shareholders or employees.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Fredrik Ramen retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for reappointment.

Auditors & Auditor's Report

M/s Price Waterhouse, Chartered Accountants the present Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting. A certificate has been received from them pursuant to Section 224(1-B) of the Companies Act, 1956 confirming their eligibility for reappointment as Company's Auditors.

The Auditors' Report and the Notes to the Accounts referred to therein are self explanatory and, therefore, do not call for any further comments by your Directors.

Other Information

Statement showing particulars with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the requirements of 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 and particulars of employees under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 forming part of this report are annexed.

ACKNOWLEDGEMENT

The Board gratefully acknowledges the valuable support and co-operation given by the various Government agencies, financial institutions, banks, customers, suppliers and Company's personnel at all levels and looks forward to their continued support and active involvement.

Your directors also thank the shareholders for their continued confidence in and support to the Company.

On behalf of the Board of Directors

Place : New Delhi
Date : 29th July, 1998

TORSTEN KNUTSSON
Director

ANNEXURE TO DIRECTORS' REPORT

- I. Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1998

A. CONSERVATION OF ENERGY

In keeping with the global policy of AB Electrolux, Sweden the Company considers conservation of energy as one of its top priorities and continues to economise wherever possible, use of power, energy and fuel. The products of the Company also incorporate the water and energy saving features.

B. RESEARCH & DEVELOPMENT & TECHNOLOGY ABSORPTION

The Company is in the process of developing new models of washing machines with the active support of AB Electrolux's global R & D facilities. The existing model is also being continuously upgraded to make the same more customer friendly, energy efficient with low consumption of water.

The Company has during the year also indigenised certain components which were earlier being imported. The efforts are being made to indigenise some more components presently imported which will not only reduce the material cost of the product but will also save valuable foreign exchange for the country.

The Company has during the year added additional equipments to strengthen the existing testing facilities and also plans to invest further in R & D for upgrading facilities for design, testing and reliability.

The expenditure incurred by the Company on Research & Development Activities during the year has been disclosed in Schedule 17, item 8 in Notes to Accounts

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has made no exports and thus the foreign exchange earnings during the year under review were Rs. Nil. The amount expended in foreign currency during the reported period was Rs. 91,01,082/-