

24th
ANNUAL REPORT
1998-99

INTRON 
LIMITED
AN ELECTROLUX GROUP COMPANY

BOARD OF DIRECTORS

LENNART RIBOHN	-	Chairman
INDER K.KHOSLA	-	Vice Chairman
SHANTANU BANERJEE	-	Whole-time Director
FREDRIK RAMEN		
ANDREW BENTLEY		
PIETRO GAVA		
K.L. DHINGRA	-	Nominee HSIDC
A.P. CHAMOLI	-	Nominee HSIDC

ALTERNATE DIRECTORS

LUCIANO MACUGLIA	-	Alternate to Pietro Gava
G.S. DAVAR	-	Alternate to Lennart Ribohn
DINKAR GOSWAMI	-	Alternate to Fredrik Ramen

PRESIDENT

RAM S. RAMASUNDAR

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

Plot 7-C, Sector 18,

Maruti Industrial Area,

Gurgaon - 122 015 (Haryana)

CORPORATE OFFICE

U & I Centre,

580, Delhi-Palam Vihar Road,

Bijwasan, New Delhi-110 061

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INVESTORS' INFORMATION

1. Date, Venue and Time of the Annual General Meeting : Date : 15th March, 2000
Time : 10.00 A.M.
Venue : Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi-110 054.
2. Book Closure Dates : 8th March, 2000 to 15th March, 2000 (both days inclusive)
3. The Company's Shares are listed on Stock Exchange(s) at : Delhi and Mumbai
4. Share Transfers, queries concerning your investments and other communications should be sent to : Investors' Service Cell
INTRON LIMITED.
Flat No. 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 TWENTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF INTRON LIMITED WILL BE HELD ON WEDNESDAY, THE 15TH MARCH, 2000 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 Profit & Loss Account for the 18 months' period ended 30th September, 1999 and the Balance Sheet as at 30th September, 1999 and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Pietro Gava, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors for the Financial year 1999-2000 to hold office from the conclusion of the Twenty Fourth 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 :

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

"RESOLVED THAT Mr. Shantanu Banerjee, who had been appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 27th December, 1999, to hold the office till the conclusion of this Annual General Meeting of the Company and 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 liable to retire by rotation."

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

"RESOLVED THAT Mr. Andrew Bentley, who had been appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 21st January, 2000, to hold the office till the conclusion of this Annual General Meeting of the Company and 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 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 198, 269, 387, 388 read with 'Schedule XIII' and other application provisions of the Companies Act, 1956 [including any modification (s) or re-enactment (s) thereof for 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 from 12th January, 1999 till 30th September, 1999."

"RESOLVED FURTHER THAT Mr. Merlin Poljak will not be paid any remuneration from the company, however, his country specific expenses in relation to his official duties will be borne by the Company."

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 the provisions of Section 198, 269, 309 and 310 read with "Schedule XIII" and other applicable provisions of the Companies Act, 1956 [including any modification(s) or re-enactment(s) there of for the time being in force] and subject to such necessary approvals, consents, permission of the Central Government, Reserve Bank of India and 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 of Mr. Shantanu Banerjee, as "Whole-time Director" of the Company within the meaning of Section 269 of the Companies Act, 1956 for the period of 12 (Twelve) months with effect from 1st November, 1999".

"RESOLVED FURTHER THAT Mr. Shantanu Banerjee will not be paid any remuneration from the Company."

By Order of the Board
for INTRON LIMITED

Sd/-

BHARAT MADAN
FINANCIAL CONTROLLER

Date : 21st January, 2000
Place : New Delhi

NOTES :

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under Item No. 4 to Item No. 6 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 8th day of March, 2000 to Wednesday, the 15th day of March 2000 (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 atleast 7 days notice prior to the date of the Annual General Meeting to enable the Management to collect and keep the information ready.
6. **Members 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. **Members/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.**
8. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days between 9.30 A.M. to 5.30 P.M. upto the date of the Annual General Meeting.

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

Mr. Shantanu Banerjee, nominated by AB Electrolux, was appointed as an Additional Director in the Board Meeting held on 27th December, 1999 and as per the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of the Twenty Fourth 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. Shantanu Banerjee 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. Shantanu Banerjee, is interested or concerned in the Resolution.

Item No. 5 :

Mr. Andrew Bentley, a nominee of AB Electrolux, was appointed as an Additional Director in the Board Meeting held on 21st January, 2000, and as per the provisions of Section 260 of the Companies Act, 1956, holds office upto the date of the Twenty Fourth 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 the name of Mr. Andrew Bentley 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. Andrew Bentley, is interested or concerned in the Resolution.

Item No. 6 & 7 :

Mr. Merlin Poljak "Manager" of the Company within the meaning of Section 2(24) of the Companies Act, 1956 designated as "Business Controller" has been relocated to China with effect from 30th September, 1999.

Mr. Shantanu Banerjee was co-opted as an Additional Director on the Board of Directors designated as the Whole-time Director of the Company within the meaning of Section 269 of the Companies Act, 1956, for a period of 12 months with effect from 1st November, 1999, subject to the approval of the Shareholders and the appropriate Authorities. Mr. Shantanu Banerjee shall not be paid any remuneration by the Company. As per Section 269, shareholders' approval is sought for the appointment of Mr. Shantanu Banerjee as the Whole-time Director of the Company.

The Board of Director Recommend the Resolution for approval by the Members.

None of the Directors except Mr. Shantanu Banerjee, is interested or concerned in the Resolution.

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

Sd/-

BHARAT MADAN
FINANCIAL CONTROLLER

Date : 21st January, 2000
Place : New Delhi



DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Fourth Annual Report on the operations of the Company and the Audited Statement of Accounts for the eighteen months' period ended September 30, 1999.

FINANCIAL HIGHLIGHTS

	Eighteen Months Ended September 30, 1999 (Rs. in Lakhs)	Previous Year Ended March 31, 1998 (Rs. in Lakhs)
Sales	1,378.54	598.44
Other Income	86.46	176.75
Total Income	1,465.00	775.19
(Loss) before Interest & Depreciation	(783.33)	(201.70)
Interest	280.48	226.52
(Loss) before Depreciation	(1,063.81)	428.22)
• Depreciation	87.18	46.72
(Loss) carried to Balance Sheet	(1,150.99)	(474.94)

OPERATIONS AND PROSPECTS

The current financial year of the Company was extended by six months and accordingly, the Annual Accounts have been prepared for a period of 18 months that ended on September 30, 1999.

During the period under review, your Company recorded a turnover of Rs. 1,378.54 lakhs resulting in net loss of Rs. 1,150.99 lakhs. There has been significant improvement in the sales of your Company, which grew by 54% on an annualised basis over the previous year.

In October 99, your Company has introduced new 'Millennium Slimline Series' and launched its first product in the series, "EW-1045F", a front load washing machine under the brand name 'Electrolux' which is superior in aesthetics and features and has been very well accepted by the market. More products under the 'Millennium Slimline Series' are proposed to be launched by your Company during the current financial year to gain better market presence and larger market share.

Your Directors take pleasure to inform that your Company has received CE certification from TUV Rheinland Product Safety GmbH, Germany for its model 'Electra Care - 1000', which signifies high levels of quality assurance. This certification will help your Company in tapping the European market for export of its products.

Apart from washing machines, its main product, your company is also venturing into marketing of Dishwashers and Cooking Ranges under the 'Electrolux' brand.

SHARE CAPITAL

The Equity Share capital of your Company increased from Rs. 1,627.09 lakhs to Rs. 3,091.89 lakhs pursuant to the Rights Issue. In view of the subdued market conditions the response to the Issue was not very encouraging. However, the parent company AB Electrolux, Sweden kept its commitment



and to meet the Minimum Subscription requirement subscribed to 14,647,960 equity shares of Rs. 10 each in the Issue as a result of which the shareholding of AB Electrolux in the expanded share capital base of the Company has increased from 51% to 74.14%.

The proceeds of the Issue have been used to repay high cost debts of the Company and for meeting its long-term working capital requirements.

Y2K COMPLIANCE

Your company had undertaken adequate and effective steps for resolving the "Two Digit Problem" in its hardware and software systems as also for its Accounting / Financial / Design & Development, Controls, Stores & Inventory functions. As a result the transition to Y2K has been very smooth for your Company and all its equipment, systems and processes continue to function normally. The total cost involved for ensuring Y2K compliance was approx. Rs. 4 lakhs.

FIXED DEPOSITS

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

MANAGEMENT

Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pietro Gava, Director, retires by rotation and being eligible offers himself for re-appointment.

During the period Mr. Torsten G. Knutsson sought retirement from AB Electrolux and as such his nomination was withdrawn by AB Electrolux. The board places on record its appreciation for the valuable services rendered and contribution made by him as a Director of the Company.

Mr. Andrew Bentley, nominee of AB Electrolux, was appointed in place of Mr. Torsten G. Knutsson as an Additional Director in the meeting of the Board of Directors of the Company held on January 21, 2000 and holds office till the conclusion of the Twenty fourth Annual General Meeting of the Company. His appointment under Section 257 of the Companies Act, 1956 has been proposed and your Directors recommend it for your approval.

Mr. Shantanu Banerjee, nominee of AB Electrolux was appointed as an Additional Director, designated as 'Wholetime Director', in the meeting of the Board of Directors of the Company held on December 27, 1999 and holds office till the conclusion of the Twenty fourth Annual General Meeting of the Company. His appointment under Section 257 of the Companies Act, 1956 has been proposed and your Directors recommend it for your approval.

Mr. Merlin Poljak, 'Manager' of the Company designated as 'Business Controller' who was nominated by AB Electrolux has been relocated to China. The Directors acknowledge his invaluable contribution during the initial period of stabilising the joint venture.