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**INTRON**   
**LIMITED**  
AN ELECTROLUX GROUP COMPANY

**BOARD OF DIRECTORS**

ANDREW BENTLEY	-	Chairman
INDER K.KHOSLA	-	Vice Chairman
SHANTANU BANERJEE	-	Whole-time Director
FREDRIK RAMEN		
PIETRO GAVA		
RAJESH SHARMA	-	Nominee HSIDC
Y.K. BHATIA	-	Nominee HSIDC

**ALTERNATE DIRECTORS**

G.S. DAVAR	-	Alternate to Andrew Bentley
DINKAR GOSWAMI	-	Alternate to Fredrik Ramen

**PRESIDENT**

RAM S. RAMASUNDAR

**COMPANY SECRETARY**

AKHIL PRASAD

**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.  
 ABN Amro Bank  
 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**

Global Business Park  
 2nd & 3rd Floor,  
 Mehrauli - Gurgaon Road,  
 Gurgaon- 122002 Haryana

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## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting their Twenty Fifth Annual Report on the operations of the Company and the Audited Statement of Accounts for the 15 months' period ended December 31, 2000.

### FINANCIAL HIGHLIGHTS

	<b>Fifteen Months Ended</b>	<b>Eighteen Months Ended</b>
	<b>December 31, 2000</b>	<b>September 30, 1999</b>
Total Income	2,265.19	1,465.00
(Loss) before Interest & Depreciation	(961.08)	(788.26)
Less : Interest	396.60	275.55
(Loss) before Depreciation	(1,357.68)	(1,063.81)
Less : Depreciation	92.01	87.18
(Loss) for the period	(1,449.69)	(1,150.99)
Less : Prior Period Expenses	(3.66)	—
(Loss) carried to Balance Sheet	(1,453.35)	(1,150.99)

### OPERATIONS

The current Financial Year of the Company was extended by a period of 3 months and accordingly, the Annual Accounts have been prepared for a period of 15 months ended on December 31, 2000.

During the fifteen months period under review, your Company recorded a turnover of Rs.2,207 Lacs as compared to turnover of Rs.1,379 Lacs in the previous period of eighteen months, thus an annualised increase of about 92% over the previous period.

### MARKETING OVERVIEW

Continuing with broadening its washing machine range, your Company launched another model 'EW-845F' under its 'Millennium Slimline Series' during year 2000 and proposes to launch more models during the current financial year to cater to different market segments and thereby 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 another model 'EW-1045F' which signifies high level of quality assurance and is a pre-requisite for tapping the European Market. During the period under review, your Company also exported one consignment of washing machines to U.K. which has been received very well.

### 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 equipments, systems and processes continue to function normally.

### **TRANSFER TO RESERVES**

During the year no amount has been transferred to Reserves.

### **DIVIDEND**

The Company has not declared any dividend during the financial year under review.

### **FIXED DEPOSITS**

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

### **DIRECTORS**

Pursuant to Article 82 of the Articles of Association of the Company, Mr. Fredrik Ramen retires by rotation and being eligible offer himself for re-appointment.

During the financial year, the nomination of Mr. Luciano Macuglia, Alternate Director to Mr. Pietro Gava, was withdrawn by AB Electrolux. Further, HSIDC has also withdrawn the nomination of Mr. K.L.Dhingra and Mr. A.P.Chamoli and has nominated Mr. Rajesh Sharma and Mr.Y.K.Bhatia in their place(s). The Board places on record the valuable contribution extended by the outgoing directors during their tenure with the Company.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- (ii) that the Directors have adopted such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the Annual Accounts on a going concern basis.

The Directors believe that the financial statements reflect fairly the form and substance of the transactions concluded and reasonably present:

- the Company's financial condition,
- a true and fair view of the results of the operations for the period,
- the state of affairs of the business as at 31st December, 2000.

The company has an ERP based accounting system and appropriate software applications in functional areas to aid operational transactions. The Management Assurance Group conducts routine internal audits and special operational reviews on a periodic and consistent basis throughout the year covering all major business locations and processes. This, subject to the inherent limitations in any system and procedure and coverage thereof, provides management with reasonable assurance that the established policies and the procedures of the Company have been followed, its assets safeguarded and any form of fraud and other irregularities prevented from occurring.

The financial statements have been audited by Price Waterhouse, Chartered Accountants. The recently constituted Audit Committee of Intron Limited pursuant to Section 292A of the Companies Act, 1956, has reviewed these financial statements and henceforth be meeting periodically to review the manner in which the internal auditors are performing their responsibilities and to discuss auditing, internal controls and financial reporting issues. To ensure complete independence, the internal auditors and the appointed statutory auditors have full and free access to the members of the Audit Committee.

#### **AUDIT COMMITTEE**

Pursuant to Section 292A of the Companies Act, 1956, the Directors have formed an Audit Committee of the Board of Directors comprising of the following Directors. They shall be performing the specified functions including the reviewing of annual Financial Statements, internal control system and the Company's financial reporting processes. The Audit Committee comprises of:

1. Mr. Shantanu Banerjee
2. Mr. Inder Kumar Khosla and
3. Mr. Fredrik Ramén (Mr. Dinkar Goswami – Alternate Director)

#### **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.

#### **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 - 'A', forming part of this report.

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

The Equity Shares of your Company have been listed on Delhi and Mumbai Stock Exchanges. Pursuant to Clause 38 of the Listing Agreement with the Stock Exchange(s) the Annual Listing Fee for the financial year 2000-2001 has been paid to all the Stock Exchange(s).

#### **PERSONNEL**

The Statement under Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in the Annexure 'B' 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 **INTRON LIMITED**

Date : 23rd March, 2001  
Place : Gurgaon

Sd/-  
**SHANTANU BANERJEE**  
Whole-Time Director

Sd/-  
**INDER K. KHOSLA**  
Director

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## **ANNEXURE 'A' TO DIRECTORS' REPORT**

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

### **1. CONSERVATION OF ENERGY**

#### **a) Energy Conservation Measures taken:**

1. Digital Temperature Controller installed in Paint shop pre-treatment tanks to control energy consumption.
2. Installation of CFL lights.

#### **b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:**

Continuously working towards new energy conservation methods.

#### **c) Impact of Measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production:**

Energy cost per unit produced was reduced by 28% as compared to the cost per unit for the year 1999, resulting in lower cost of production.

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

#### **a) Specified areas in which R&D carried out by the Company:**

- i) CE Certification
- ii) Budget Model Washing Machine
- iii) Electronic Model Washing Machine

#### **b) Benefits derived as a result of the above R&D:**

- i) Development of two new models.
- ii) CE Certification for two models.

#### **c) Future Plan of Action:**

Continuous improvement in quality by further upgrading of the existing models.

#### **d) Expenditure on R&D: (Amount in Rs.)**

(a)	Capital	—	—
(b)	Recurring	—	997,064
(c)	<b>Total</b>	—	<b>997,064</b>
(d)	<b>Total R&amp;D Expenditure as a percentage of total turnover</b>	—	<b>0.45%</b>

**3. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:**

- a) **Efforts, in brief, made towards technology absorption, adaptation and innovation:**
- The Company, during the year, assembled a new model of washing machine (EW-1055F), which was earlier imported as completely built unit.
  - Lowered overall cost of the machine.
- b) **Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.**
- An introduction of a new model, thereby enhancing the product offering to the customer.
- c) **In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:**
- Technology imported:**  
CKD Kit of washing machine, Model EW-1055F
  - Year of Import:**  
2000
  - Has technology been fully absorbed:**  
A few components were indigenised.
  - If not fully absorbed areas where this has not taken place, reasons therefore and future plans of action:**  
The process of technology absorption was started in the late 2000 and indigenisation of other components is under progress.

**4. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- (a) **Activities relating to exports: Initiatives taken to increase exports; development of new export markets for products and services; and export plans;**
- The Company has started special efforts in the second half of year 2000 for export of its products. The results of these efforts are likely to materialise in year 2001.

- (b) **Total foreign exchange used and earned.**

		(Amount in Rs.) 1999-2000
(i)	Foreign Exchange Earnings	875,707
(ii)	Foreign Exchange Expenditure	
	CIF Value of Imports	62,108,519
	Others	2,741,779
		64,850,298



## ANNEXURE 'B' 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 15 months' period ended 31<sup>st</sup> December, 2000.

**(A) Employed throughout the Fifteen Months' period under review and were in receipt of remuneration for the period in aggregate of not less than Rs. 15,00,000/-**

Name	Designation & Nature of Duties	Nature of Employment - Contractual or otherwise	Remuneration Received (Rs.)	Qualification	Experience (Yrs.)	Date of Commencement	Age (Yrs.)	Particulars	% age of Equity Shares held
Ram S. Ramasundar	President	Regular	2298481.00	FCA, CS, PGDM	25	17.12.97	50	Pepsico India Ltd., Market Unit Director	Nil
Sanjiv Misra	Executive Vice President & Chief Controller	Regular	2048808.00	BA, MBA	18	01.01.96	41	Harbans Distributer Ltd. Director	0.22%

**(B) Employed for Part of the Financial period 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. 1,00,000/-P.M.**

Name	Designation & Nature of Duties	Nature of Employment - Contractual or otherwise	Remuneration Received (Rs.)	Qualification	Experience (Yrs.)	Date of Commencement	Age (Yrs.)	Particulars	% age of Equity Shares held
NONE									

### NOTES:

- (1) Remuneration includes Basic Salary, Allowances, Medical and other reimbursements, Leave Encashment, Sales Incentive, Rent paid for providing residential accommodation, Company's contribution to Provident Fund and Superannuation Funds and monetary value of the perquisites provided to the employees. However, where it is not possible to ascertain the actual amount expended by the Company in providing a perquisite, the monetary value of such perquisite calculated in accordance with the Income Tax Act, 1961 and rules framed thereunder have to be taken into account.
- (2) None of the Employees is a relative of any Director of the Company.

**AUDITORS' REPORT  
 TO THE MEMBERS OF INTRON LIMITED**

1. We report that we have audited the Balance Sheet of Intron Limited as at December 31, 2000 and the relative Profit and Loss Account for the 15 months' period ended on that date, both of which we have signed under reference to this report and the above mentioned accounts are in agreement with the books of account.
2. In our opinion, and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes thereon and attached thereto, give in the prescribed manner the information required by the Companies Act, 1956, of India (the Act) and also give respectively, subject to para 3 below with consequential effect on Company's loss for the period and the net asset, a true and fair view of the state of the Company's affairs as at December 31, 2000 and its loss for the period ended on that date.
3. **As stated in note 1 on Schedule 17, the accounts have been drawn up on a going concern basis, even though the accumulated losses of the Company have far exceeded its net worth. We have no other observation or comment which have any adverse effect on the functioning of the Company.**
4. We have, obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of account have been kept as required under law so far as appears from our examination of the books.
5. In our opinion, the Profit and Loss Account and Balance Sheet comply with the accounting standards referred to in Section 211 (3C) of the Act.
6. Based on representations made by all the directors of the Company and the information and explanations as made available, directors of the Company do not prima facie have any disqualification as referred to in clause (g) of sub-section (1) to Section 274 of the Act.
7. As required by the Manufacturing and other Companies (Auditor's Report) Order 1988 dated 7th September, 1988 issued by the Central Government of India and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:
  - (i)
    - a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
    - b) The fixed assets of the Company were not physically verified during the year.
  - (ii) The fixed assets of the Company have not been revalued during the period.
  - (iii) The stock of finished goods, spare parts and raw materials of the Company at all its locations, have been physically verified by the management at the period end.
  - (iv) The procedures of physical verification of stocks, followed by the management are considered to be reasonable and adequate, in relation to the size of the Company and nature of its business.
  - (v) The discrepancies between the physical stock and the book stocks, which have been property dealt with, were not material.