

MONICA

ELECTRONICS LIMITED

MD	✓		BKC	✓
CS	✓		DPY	ND
RO	✓		DIV	ND
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

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ANNUAL

REPORT

1996-97



BOARD OF DIRECTORS

K. D. Dwivedi
S.N. Acharya
A.C. Mehta

Whole Time Director

CHIEF EXECUTIVE

V.K. Gupta

COMPANY SECRETARY

Neeraj Rawat

AUDITORS

Goel Garg & Co.
Chartered Accountants

REGD. OFFICE & FACTORY

GA-2, B-1 Extn.
Mohan Co-operative
Industrial Estate,
Mathura Road, Badarpur,
New Delhi-110 044.

CORPORATE OFFICE

Onida House
A-19, B-1, Mohan Co-operative
Industrial Estate,
Mathura Road, Badarpur,
New Delhi-110 044.

BANKERS

Syndicate Bank
Punjab National Bank
Sanwa Bank

REGISTRAR & SHARE TRANSFER AGENT

Allied Computer Technics Pvt. Ltd.,
Flat No. 18, Local Shopping Centre
Block A, Ring Road, Naraina,
New Delhi-110 028.

MONICA ELECTRONICS LIMITED**ONIDA****NOTICE**

NOTICE is hereby given that the Twenty First Annual General Meeting of the members of the MONICA ELECTRONICS LIMITED will be held on Tuesday, the 16th day of September, 1997 at 10.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110 010 to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and Profit & Loss Account for the year ended on that date alongwith the reports of Auditor's and Director's thereon.
2. To appoint a Director in place of Mr. S. N. Acharya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT M/s. Goel Garg & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, at a remuneration to be decided by the Board of Directors."

AS 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 sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, the approval of the company be and is hereby given to the appointment of Mr. K. D. Dwivedi as an executive director of the company for a period of 2 years w.e.f. 1st January 1997 upon terms and conditions as set out in the explanatory statement with further authority to the board to alter and vary the terms and conditions and the remuneration of Mr K. D. Dwivedi, from time to time subject to the applicable provisions of the Companies Act, 1956."

Regd. Office:

GA-2, B-1 Ext., Mohan Co-operative
Industrial Estate, Mathura Road,
Badarpur, New Delhi - 110 044

By Order of the Board

Place : New Delhi

Date : 14th August, 1997

Sd/-

(NEERAJ RAWAT)

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 AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT TIME OF THE MEETING.
2. The explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of this notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 1997 to 16th September, 1997 (both days inclusive).

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4. Members who are holding shares in identical orders of names in more than one folio, are requested to write to the Company, enclosing their certificates to enable the Company to consolidate their holdings in one folio. Members are also requested to notify immediately any change in their addresses, quoting their folio numbers.
5. It will be appreciated that queries, if any, on Accounts and Operation of the Company are sent to the Company ten days in advance of the meeting so that the answer may be made readily available.
6. Members are requested to produce the enclosed attendance slip duly signed, in accordance with specimen signatures registered with the Company for admission to the meeting hall.

EXPLANATORY STATEMENT

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

Item No. 4

At the meeting of Board of Directors held on 30th December, 1996, Mr. K. D. Dwivedi was appointed as an Executive Director of the company w.e.f. 1st January, 1997 by passing of a resolution as amended by resolution passed at the meeting of Board of Directors held on 27th June, 1997 on the following terms and conditions-

(A) SALARY

Rs. 40,000/- per month as basic salary.

The increment will be effective from 1st of January of every year and shall be considered by the board on merits at its absolute discretion.

(B) PERQUISITES & ALLOWANCES

House Rent Allowance of Rs. 24, 000/- per month, Special Allowance of Rs. 23, 000/- per month, contribution to PF and gratuity as per company rules, provision of car with driver for use of company's business, telephone at residence and encashment of leave at the end of tenure.

(C) MINIMUM REMUNERATION

In the event of absence or inadequacy of profits in any financial year, the same remuneration as set out above will be paid as minimum remuneration subject, however, to the approval of the Central Government for which an application will be made.

(D) TENURE

Two years from 1st January, 1997 to 31st December, 1998.

Your directors recommends the resolution for your approval.

This may also be treated as notice under section 302 of the Companies Act, 1956.

None of the directors of the company is concerned or interested in the aforesaid resolution, except Mr. K. D. Dwivedi.

Regd. Office:

GA-2, B-1 Ext., Mohan Co-operative
Industrial Estate, Mathura Road,
Badarpur, New Delhi - 110 044

Place : New Delhi

Date : 14th August, 1997

By Order of the Board

Sd/-

(NEERAJ RAWAT)
Company Secretary

MONICA ELECTRONICS LIMITED

ONIDA

DIRECTORS' REPORT

To the Members of
Monica Electronics Limited

FINANCIAL RESULTS

Your Company's performance during 1996-97 is summarised as below:-

	For the year ended March 31,1997 (Rs. in lacs)	For the year ended March 31,1996 (Rs. in lacs)
Turnover	8,472.30	12,473.65
Profit/(Loss) before Tax	(1,054.58)	650.53
Profit/(Loss) after Tax	(1,054.58)	650.53
Add/(Less) Prior period adjustment (Net)	(1,203.78)	(131.28)
Investment Allowance Reserve Written back	-	3.84
Surplus as per last Balance Sheet	835.59	674.11
Profit/(Loss) available for appropriation	(1,422.77)	1,197.20

APPROPRIATIONS

Debenture Redemption Reserve	-	54.20
Dividend (Subject to Tax)	-	107.41
Transfer to General Reserve	(930.00)	200.00
Carried to Balance Sheet	(492.77)	835.59
	(1,422.77)	1,197.20

OPERATIONS

The total Colour Television market growth was lower at about 5 per cent in 1996-97, a sharp decline from the previous year. In addition, slow down in economy, stiff competition from foreign brands, escalating cost of financing and also the fact that your company had adopted the procedure of cash sales as against credits given to the dealers in the market have been the reasons for decrease in turnover from Rs.12473.65 Lacs to Rs.8472.30 Lacs as compared to previous year. The cash sales is radically different from the market scenario where competitors are selling goods on credits. This, however, will have an advantage in the long run for your company. Since October 1996, your company had directly takenover the 100 percent marketing of its products which however has resulted in slight increase in the turnover as compared to the first six months but has resulted in accounting for the entire cost of branch expenses, mass publicity expenses etc. With the result, the selling and distribution expenses were substantially higher as compared to the previous year. Consequently the figures of marketing expenditure for the Financial Year 1996-97 are not comparable with the previous year.

During the current financial year, the company has introduced two more new models in 25" & 29" segment. These models are feature packed Colour Televisions with latest developed technology.

DIVIDEND

As the company has suffered an operational loss, therefore your Directors consider not to recommend any dividend on paid up Equity Share Capital of the company for the financial year 1996-97.

FUTURE OUTLOOK

There has been continuous decline in the margin of Colour Television products due to stiff competition specially from the foreign brands. There is a need to look for rationalisation and to sharpen focus on the cost. The

MONICA ELECTRONICS LIMITED**ONIDA**

company has therefore decided to exit from the direct marketing of its products w.e.f. 1st April, 1997, since it has not resulted in significant benefit to the company in the previous year. This will result subsequently reducing the high cost for brand development, branch expenses and also mass publicity expenses. With the above stated business decisions ONIDA brand will maintain the market position in the Colour Television market. Further more, your company will also cater to the market on all India basis which will enhance our production at a much faster pace.

RESEARCH & DEVELOPMENT

The Research & Development Centre of your company continue to support the company's business by developing innovative products and process to cater to consumer needs and purposes.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EARNINGS AND OUTGO.

Information under Section 217(1)(e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure "A" and forms part of this Report.

DIRECTORS

In accordance with the provisions of Companies Act, 1956, Shri. S. N. Acharya, Director retires by rotation and being eligible for reappointment. The resolution pertaining to his reappointment is put for your approval.

AUDITORS

The members will be appointing the Auditors for the next financial year and to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration. The company has received a certificate from M/s Goel Garg & Co., Chartered Accountants, New Delhi, under section 224(1-B) of the Companies Act, 1956 for being eligible for their reappointment.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended upto date, regarding employees is given in Annexure "B" to the Directors' Report.

PERSONNEL

The industrial relations remained cordial and peaceful with all employees during the year under report. The Directors appreciate the excellent contribution and dedicated services rendered by employees of the company at all levels.

APPRECIATION

Your directors place on record their appreciation of the valuable help and co-operation received by them from Central and State Government Authorities, Financial Institutions and Banks. The board also gratefully acknowledges the support and goodwill extended by the dealers, customers, suppliers, investors and shareholders of the company.

For and on behalf of the Board

Sd/-
(S.N. ACHARYA)
Chairman

Dated : 14th August, 1997

ANNEXURE "A" TO DIRECTORS' REPORT

A - CONSERVATION OF ENERGY

(1) Energy conservation measures taken :

The manufacturing activities of the company involve low consumption of energy. There has been a continuous efforts towards conservation of energy at all levels in the company. Your company has taken various measures for restrictive and optimum use of electricity for conservation of energy.

(2) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.

Energy conservation is a continuous and ongoing process and the company consistently identify the areas where conservation energy measures may be taken through improved optimisation methods.

(3) Impact of the measures of (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production.

The energy conservation measures will result in low cost of production and lower cost of energy.

(4) Information as required to be furnished in form A is not furnished, as the Company is not engaged in any of the industries as listed in the schedule annexed to the rules.

B - TECHNOLOGY ABSORPTION

I. RESEARCH & DEVELOPMENT (R & D)

(1) Specific areas in which R & D carried out by the Company :

The focus of R&D activities of the company was towards evolution of new products with latest features at optimum cost, quality improvement and introduction of new designs of Television with better productivity.

(2) Benefits derived as a result of the above R & D :

Improved quality levels with better productivity has led to launch of new designs of Colour Televisions by the company.

(3) Further plan of action :

The Company plans to further strengthen the R & D Department to achieve saving in cost of production by indigenisation and to develop the state of art product.

(4) Expenditure on R & D :

(a) Capital	NIL
(b) Recurring	Rs. 15.70 lacs
(c) Total	Rs. 15.70 lacs
(d) Total R & D Expenditure as a percentage of total turnover	0.185%

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

(1) Efforts made towards technology absorption, adaptation and Innovation :

Usage of latest computer aided design systems for design of new products and introduction of latest technology and integration of latest features at optimised cost based on the contemporary line up of Integrated circuits. Continuous efforts are being made to do improvements in the field of reliability and quality.

(2) Benefits derived as a result of above efforts :

Improved productivity and consistent quality has led to better yield in productivity and better reliability of the products at optimal cost.

(3) Particulars relating to imported technology :

Except usage of certain imported components, no imported technology is being used by the company.