

ANNUAL REPORT

1996 - 1997

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"/>
ACM	<input checked="" type="checkbox"/>		SH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			

ONIDA

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ONIDA SAVAK

L I M I T E D

The registered office of the Company has been shifted to B-205, Phase-II, Noida, Distt. Gautam Budha Nagar-201305 (U.P.). All the correspondence may be communicated at the aforesaid place.

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ONIDA SAVAK LIMITED

BOARD OF DIRECTORS

Sonu L. Mirchandani	<i>Managing Director</i>
Gulu L. Mirchandani	
A.K. Banerjee	
Ramesh Chandra Misra	
Vijay Kumar D. Lall	<i>Nominee (ICICI)</i>

AUDITORS

M/s Goel Garg & Co.
Chartered Accountants

REGISTERED OFFICE

B-205, Phase-II, Noida,
Distt: Gautam Budha Nagar-201305 (U.P.)

BANKERS

State Bank of India
State Bank of Hyderabad
Dena Bank
The Sanwa Bank Ltd.
ANZ Grindlays Bank P.L.C.

REGISTRARS & TRANSFER AGENTS

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

ONIDA SAVAK LIMITED

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the members of Onida Savak Limited will be held on Wednesday the 31st day of December 1997 at 9.00 A.M. at the Plot No. A-1, Phase-II, Noida, Distt. Gautam Budha Nagar-201305 (U.P.) to transact the following business :

1. To receive, consider and adopt the audited balance sheet as at 31st March 1997, the profit & loss account for the year ended on that date and the reports of directors & auditors thereon.
2. To appoint director in place of Mr R.C. Misra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and in this connection to pass, with or without modifications, the following as an **Ordinary Resolution**:

"RESOLVED THAT M/s Goel Garg & Co., Chartered Accountants, the retiring auditors be and are hereby appointed auditors of the company to hold office from the conclusion of the tenth annual general meeting until the conclusion of the next annual general meeting of the company and Board of Directors be and is hereby authorised to fix their remuneration for the said period."

SPECIAL BUSINESS

4. To consider and if thought fit to pass, with or without modifications, the following as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and all other applicable provisions, if any, of the companies Act, 1956 and subject to such approvals, if any, required in connection therewith, consent be and is hereby accorded to the Board to lease the whole, or substantially the whole of the company's colour television unit situated at Noida, Uttar Pradesh for such consideration and upon such terms and subject to such conditions as may be agreed upon by the board in the best interest of the company with further authority to do all such acts, deeds, matters and things as may be necessary, expedient and proper to give effect to this resolution having regard to all the circumstances and factors prevailing at the relevant time."

By Order of the Board

Place : Noida
Dated : December 5, 1997

(SONU L. MIRCHANDANI)
MANAGING DIRECTOR

NOTES :

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**
- (b) An explanatory statement pursuant to section 173(2) of the Companies Act, 1956, is appended below.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from 16th December 1997 to 31st December 1997 (both days inclusive)
- d) Members holding shares in identical names under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the company/its share transfer agent.
- e) Members are requested to immediately notify any change in their addresses, quoting their folio numbers and indicating the Pin Code Number of their delivery post office to the company/its share transfer agent.
- f) Members are requested to send to the company their queries, if any, on accounts and operations of the company, at least ten days before the date of meeting so that the same could be suitably answered at the meeting.

ONIDA SAVAK LIMITED

- g) Members attending the annual general meeting are requested to bring along their copies of the annual report as the same will not be distributed at the meeting.
- h) Company has shifted its registered office to B-205, Phase-II, Noida, Distt. Gautam Budha Nagar-201305 (U.P.).

EXPLANATORY STATEMENT

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

Item No. 4

In the light of your company's restructuring programme and to give focussed attention on the existing business of manufacturing Electronic components and White goods to make it a big success, it is proposed to lease its Colour Television unit situated at Noida, U.P.

Your Board of Directors have already approved the proposal of leasing of the aforesaid Colour Television unit. Under section 293(1)(a) of The Companies Act 1956, shareholders' approval is required for giving effect to the above.

The board recommend the passing of the resolution.

None of the Directors is concerned or interested in the resolution except as the shareholder of the company.

Place : Noida
Dated: December 5, 1997

By Order of the Board
(SONU L. MIRCHANDANI)
MANAGING DIRECTOR



ONIDA SAVAK LIMITED**DIRECTORS' REPORT**

To the members of the company

FINANCIAL RESULTS

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

	For the year 1996-97	(Rs in lacs) For the year 1995-96
Turnover	5169.50	13073.40
Gross Profit/(Loss) before Depreciation & Tax	(284.85)	932.77
Less : Depreciation	198.74	153.43
Profit/(Loss) after tax	(483.59)	779.34
Add/(Less) Prior period expenses (Net)	(47.06)	4.02
Surplus brought forward	823.99	346.74
Transferred from General Reserve	1250.00	-
Less : Deferred Revenue Expenditure written off	1360.46	-
Profit available for appropriation	182.88	1130.10
Appropriation made as under :		
Proposed Dividend	-	146.11
Debenture Redemption Reserve	150.00	150.00
General Reserve	-	10.00
Balance Carried Forward.	32.88	823.99
	182.88	1130.10

OPERATIONS

The company recorded a sharp downfall during the year 1996-97 largely due to lacklustre performance of the consumer electronics industry. The group has therefore, initiated strategic business decisions to concentrate on white goods and component manufacturing business. Keeping in view the above objective, the company has successfully hived off the plastic moulding unit for a consideration of Rs. 28 crores. This has enabled the company to reduce the institutional debt in the current financial year 1997-98. The entire arrangement of hiving off was duly approved and vetted by the financial institutions.

The company is now actively focussing on white goods segments. The company has introduced new range of washing machines to meet the demand of the consumers and has also made concerted efforts to reduce the cost of manufacturing. The benefits of the cost reduction measures would accrue this year. Your company's products are now available all over the country through sales network and C&F agents appointed at various places.

In case of component manufacturing, the company has made tremendous efforts in improving the quality of its products. It gives us immense satisfaction to report that we are one of the leading manufacturers of electronic tuners in the country and supplying to most of the CTV manufacturers.

In case of CTV, there is a continuous decline in the margin of all the models due to severe competition from the other competitors. In line with aforesaid objectives and in the long term interest of the organisation it is thought desirable to concentrate more on white goods and component manufacturing.

ONIDA SAVAK LIMITED

DIVIDEND

In view of the loss suffered by the company no dividend is being proposed.

DIRECTORS

During the year Mr P.K. Kaul, Chairman and Mr Rajiv Gupta, Director resigned. The Directors place on record their appreciation for the valuable services rendered by them to the company.

Mr R.C. Misra, Director of the company, retires by rotation at the forthcoming annual general meeting and being eligible, offers himself for re-appointment. Your directors recommend his re-appointment.

AUDITORS

M/s. Goel Garg & Co., Chartered Accountants, the Auditors of the company retire at the ensuing annual general meeting and are eligible for re-appointment. Your directors recommend their re-appointment. The auditors have furnished a certificate regarding their eligibility for re-appointment as company's auditors, pursuant to section 224(1) of the Companies Act, 1956.

PERSONNEL

The Directors wish to place on record their appreciations for the services rendered by all the employees of the company. It is gratifying to note that the relationship between the management and workers continued to be cordial.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time are given in the enclosed statement at Annexure 'A' forming part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE 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 'B', forming part of this report.

ACKNOWLEDGEMENTS

The directors desire to record their sincere appreciation for the efforts put in by all the employees of the company. The directors also convey their sincere appreciation for the continued valuable assistance, co-operation and support given to the company by the Central and State government authorities, financial institutions and company's bankers. The directors also gratefully acknowledge the support extended to the company by the dealers, customers, suppliers and shareholders.

On behalf of the Board

Place : Noida
Dated : September 30, 1997

(SONU L. MIRCHANDANI)
MANAGING DIRECTOR

ONIDA SAVAK LIMITED

ANNEXURE 'A' TO DIRECTORS' REPORT

Statement of Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time and forming part of the Directors' Report for the year ended 31st March, 1997.

Sl. No.	Name	Qualification	Designation /Nature of Duties	Date of Joining	Remuneration (Rs.)	Experience (years)	Age (years)	Last Employment Position held/year/ Organisation
A. EMPLOYED THROUGHOUT THE YEAR								
1.	Mirchandani Sonu L.	B.Com.(Hons) P.G.Course in House Training.	Managing Director	18.9.1989	12,87,956	26	48	Managing Director, (12) Monica Electronics Ltd.
2.	Nayyar R.K.	B.Sc.(Engg)	Chief Executive	01.9.1990	4,43,682	19	42	Dy. General Manager (Engg),(2) Monica Electronics Ltd.
3.	Shukla S.P.	B.Tech.	General Manager (Home Appli- ances)	12.6.1989	3,55,620	30	52	General Manager (Projects),(2) Purolator India Ltd.
B. EMPLOYED FOR PART OF THE YEAR								
4.	Dwivedi K.D.	M.A., LL.B	Vice President (Finance)	01.7.1992	5,60,514	29	60	Asstt. Vice President, (Taxation), (2) Monica Electronics Ltd.

- NOTES:**
- Remuneration includes Basic Salary, allowances, rent for accommodation, leave encashment, Gratuity paid, Medical, leave travel assistance, Company's contribution to Provident Fund and other facility and benefit wherever applicable monetary value of which have been evaluated on the basis of Income Tax rules.
 - Except Mr. Sonu L. Mirchandani, Managing Director, who is related to Mr. Gulu L. Mirchandani, Director, none of the employees are related to any Director.

ANNEXURE 'B' TO DIRECTORS' REPORT

I. CONSERVATION OF ENERGY

- The Company's activities involve low consumption of energy and as such there is very little scope for energy conservation. In all the divisions of the company there is a conscious and concerted drive towards conservation of energy in all its forms.
- Additional investments and proposals, if any, being implemented for reduction of consumption of energy**
Energy conservation is an on-going process in the company. Besides the measures already taken, the efforts are continuing to examine and implement fresh proposals for further conservation of energy.
- Impact of measures at (1) & (2) 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.

II. RESEARCH & DEVELOPMENT (R&D)

- Specific area in which R&D carried out by the Company :**
The company has been continuously carrying on Research & Development for improving the quality, production process, indigenisation of products and development of new products.
- Benefits derived as a result of above R&D :**
R&D has resulted in improvement of standard of products manufactured as regards features and reliability, enhancing our range of products and saving of foreign exchange.