

ANNUAL REPORT

1997 - 98

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

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ONIDA SAVAK LIMITED

ONIDA SAVAK LIMITED

BOARD OF DIRECTORS

Sonu L. Mirchandani
Ramesh Chandra Misra
Arun Kumar Banerjee
D.P. Maheshwari
Indu Kumar Pande

Managing Director

*Additional Director
Nominee (PICUP)*

AUDITORS

M/s Goel Garg & Co.
Chartered Accountants,
E-588, Greater Kailash-II,
New Delhi-110 048

REGD. OFFICE & WORKS

B-205 & 204 Phase-II,
Noida - 201 305
District Gautam Budh Nagar
Uttar Pradesh

CORPORATE OFFICE

A-19, B-1 Extn.,
Mohan Co-operative Industrial Estate,
Mathura Road, Badarpur,
New Delhi-110044.

BANKERS

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

SHARES LISTED AT

Ahmedabad, Bombay, Calcutta, Delhi &
Jaipur Stock Exchanges.

SHARE & TRANSFER AGENTS

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

ONIDA SAVAK LIMITED

NOTICE

NOTICE is hereby given that the eleventh annual general meeting of the members of the **ONIDA SAVAK LIMITED** will be held on Monday, the 28th day of September, 1998 at 9.00 A.M. at Plot No. A-1, Phase-II, Noida, Distt. Gautam Budh Nagar-201 305 (U.P.) to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended on that date along with the reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr A.K. Banerjee, 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 subject to the provisions of section 257 of the Companies Act, 1956 and in terms of the Article 134 of the Articles of Association of the company, Mr D.P. Maheshwari, who was appointed as an additional director be and is hereby appointed as a director of the company whose period of office will be liable to determination by retirement by rotation."
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

"RESOLVED

THAT the Board of Directors of the company be and is hereby authorised to delist the equity shares of the company from one or more of the following stock exchanges i.e. The Stock Exchange Ahmedabad, The Stock Exchange Calcutta and The Stock Exchange Jaipur.

FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient and proper to give effect to this resolution.

FURTHER THAT the Board be and is hereby authorised to make such applications/sign agreements and give declarations/undertakings as may be required by the Stock Exchanges / Securities & Exchange Board of India and to accept amendments, modifications and alterations as may be suggested by these authorities."

By order of the Board

A.K. KAKKAR

General Manager (Finance)

Noida, 7th August, 1998

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 Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 1998 to 28th September, 1998 (both days inclusive).
3. Pursuant to Section 205 of the Companies Act, 1956, the unclaimed dividend upto the financial year 1993-94 and interim dividend for the financial year 1994-95 has been deposited in the General Revenue Account of the Central Government. Members who have so far not claimed or collected their dividend of the aforesaid financial year may claim their dividend from the Registrar of Companies, Uttar Pradesh. The unclaimed & final dividend for the financial year 1994-95 will be transferred to the Central Government Revenue Account in the month of October, 1998. Therefore, the members who have

ONIDA SAVAK LIMITED

not claimed the dividend for the year 1994-95 are requested to apply to the Company for the payment of dividend immediately.

4. 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 place.
5. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is appended below.

EXPLANATORY STATEMENT

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

Item No. 5

Mr D. P. Maheshwari was appointed as an additional director of the company by the Board of Directors on 31.7.98 under section 260 of the Companies Act, 1956 and article 134 of the articles of association of the company. Accordingly, he holds office up to the date of ensuing annual general meeting. The company has received a notice from a member under section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. D.P. Maheshwari for the office of the director. The Board considers it desirable that company should continue to avail itself of his services. The board recommend the passing of the resolution.

None of the Directors except Mr D. P. Maheshwari is interested in the resolution.

Item No: 6

At present equity shares of the company are listed at Ahmedabad, Bombay, Calcutta, Delhi, and Jaipur Stock Exchanges. As per the terms of the Listing Agreement, substantial amounts are being paid annually to the Stock Exchanges towards listing fees without corresponding benefits accruing. Approximately 55% of the shareholders fall in the jurisdiction of Delhi Stock Exchange. Securities & Exchange Board of India has framed guidelines permitting companies to delist from stock exchanges after passing special resolution in the General Meeting of the company and giving an exit opportunity to the holders of the security. The Board of Directors feel that the shares of the company be delisted from Calcutta, Jaipur and Ahmedabad Stock Exchanges. The Directors recommend the special resolution for shareholders' approval. None of the directors is in any way concerned or interested in this resolution except as a shareholder of the company.

By order of the Board

Noida, 7th August, 1998

A.K. KAKKAR
General Manager (Finance)

ONIDA SAVAK LIMITED**REPORT OF DIRECTORS**

The directors submit their report and accounts for the financial year 1997-98.

FINANCIAL RESULTS

	For the year ended March 31, 1998 (Rs. in lacs)	For the year ended March 31, 1997 (Rs. in lacs)
Sales & other income	4806.83	5275.83
Gross Profit/(Loss) before Depreciation & Tax	(444.96)	(284.85)
Less Depreciation	179.44	198.74
Profit after Tax	(624.40)	(483.59)
Add/(Less) Prior period expenses(net)	4.03	(47.06)
Surplus as per last Balance Sheet	32.88	823.99
Transferred from General Reserve	-	1250.00
less: Deferred Revenue expenditure written off	-	1360.46
Profit/(Loss) available for appropriation	(587.49)	182.88
APPROPRIATIONS		
Debenture Redemption Reserve	-	150.00
Transferred to Balance Sheet	(587.49)	32.88
	(587.49)	182.88

OPERATIONS & FUTURE OUTLOOK

As reported in our last report to the members, this year the company concentrated more on white goods and component manufacturing. In washing machine segment the company has improved its performance and recorded a growth of 113% over the previous year despite slump in the industry.

Your directors are pleased to inform that the project for introduction of new model of fully automatic fuzzy logic washing machine is in advanced stage of implementation. All the major machinery and moulds have already arrived at the site. With the introduction of this model of washing machine the performance of the washing machine division will be improved significantly during the current year.

Your directors regret to inform that a devastating fire that broke out on 24th April, 1998 completely destroying the washing machine unit. However, the company was able to rebuild and start the plant within two months. The assets are covered under insurance policy and the company has already lodged its claim with the insurance company.

In electronic tuner unit the company has achieved production of 4,05,134 units which was 54% higher than the last year. The company plans to launch in August, 1998 new generation tuners known as World Standard Tuner with technical support from Sony Electronics Corporation, Japan. Your company will be first to introduce these tuners in Indian market. In years to come, your company will play a dominant role in electronic tuner industry.

During the year the sale of Plastic Moulding Division of the company was completed and as approved by the Financial Institutions, part of the sale proceeds was utilised to repay the long term loans and the remaining part was utilised towards modernisation/diversification of the operations of the company.

In view of the LG Electronics Inc., Korea not fulfilling their contractual obligations towards the supply of technology for Fuzzy Logic Fully Automatic Washing Machine, the company has lodged a claim against LG Electronics Inc. in the International Court of Arbitration for recovery of damages.

DIVIDEND

In view of losses incurred by the company the director do not recommend any dividend.

AUDITORS' REPORT

Auditors' observations are self explanatory and/or explained suitably in the notes on accounts.

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DIRECTORS

Mr Indu Kumar Pandey was nominated by the Pradeshia Industrial and Investment Corporation of U.P. Limited on the Board as its nominee director. Mr A.K. Banerjee, Director, retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

Mr D.P. Maheshwari was appointed as an Additional Director on the Board w.e.f 31st July, 1998. Mr D.P. Maheshwari is a Chartered Accountant and brings with him the vast experience in financial sector. Your directors recommend his appointment as a Director of the company.

AUDITORS

M/s Goel Garg & Co., Chartered Accountants, auditors of the company hold office till the conclusion of the ensuing annual general meeting and are recommended for re-appointment.

PERSONNEL

The Directors wish to place on record their appreciation for the services rendered by all the employees of the company. It is gratifying to note that cordial and harmonious relations prevailed between the employees and the management.

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.

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 regarding Employees is given in Annexure 'B' to the Directors' Report.

ACKNOWLEDGEMENT

The Board expresses its grateful appreciation for the continued valuable assistance, co-operation and support extended by the State Government Authorities, Financial Institutions and Banks. The Board also gratefully acknowledges the support and goodwill extended by the dealers, customers, suppliers and shareholders of the company.

For and on behalf of the Board

Place : Noida.

Date : August 7, 1998

SONU L. MIRCHANDANI
MANAGING DIRECTOR

ANNEXURE 'A' TO DIRECTORS' REPORT

I. CONSERVATION OF ENERGY

a) Energy Conservation measures taken

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.

b) 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.

c) 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)

a) 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.

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

Besides, raw material efficiency, better quality consistency, and product diversification, R&D has helped the Company to develop cable tuners, new designs of Washing Machines.

c) Future plan of action :

Product upgradation, identification and development of new products/models to meet Company's requirement of growth and sustenance.

d) Expenditure on R&D :

Expenditure charged under respective primary heads of accounts.

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III. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

a) Efforts in brief made towards technology absorption, adaptation & innovation :

The technical know-how from the collaborator M/S. Murata Manufacturing Co.Ltd., Japan, for manufacture of CTV Tuners has been fully absorbed and adopted.

b) Benefits derived as a result of the above efforts :

Availability of indigenous Electronic Tuners has resulted into import substitution and adaptation of the technology to suit Indian market and requirements.

c) Particulars relating to import technology :

The technology imported for CTV Tuners has been fully absorbed during the year.

IV) FOREIGN EXCHANGE EARNINGS AND OUTGO :

(a) Earnings	NIL
(b) Outgo by way of import of raw material, capital equipment and others.	1665.82 Lacs (1091.58) Lacs

ANNEXURE 'B' 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, 1998.

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.	Arora Sanjay	PGDM (Electronics & TV Tech.)	Dy.General Manager (Tuners)	03.09.1989	4,86,225	16	37	Regional Manager(Sales),(2) Monica Electronics Limited
2.	Mirchandani Sonu L.	B.Com.(Hons) P.G.Course in House Training.	Managing Director	18.09.1989	1,002,300	27	49	Managing Director, (12) Monica Electronics Ltd.
3.	Nayyar R.K.	B.Sc.(Engg)	Chief Executive	01.09.1990	8,79,988	20	43	Dy. General Manager (Engg),(2) Monica Electronics Ltd.
4.	Prakash Anil	B.Sc,B.E.	Dy.General Manager (Washing Machine)	15.09.1995	6,09,060	17	41	Dy.General Manager(1) Onida Saka Limited
5.	Shukla S.P.	B.Tech.	Vice-President (Home Appliances)	12.6.1989	8,79,988	31	53	General Manager(Projects),(2) Purolator India Ltd.
6.	Sharma Giraj	B.Sc(Hons) PGDM	General Manager (Marketing)	01.04.1997	6,51,617	15	36	General Manager (Marketing),(1) Monica Electronics Limited
B. EMPLOYED FOR PART OF THE YEAR								
7.	Kakkar A.K.	B.Com, FCA	General Manager (Finance)	22.11.1997	2,62,150	24	48	General Manager (Finance),(11) Usha (India) Limited
8.	Kataria Anil	FCA,ACS	General Manager (Finance)	01.01.1997	3,91,218	17	38	General Manager (Finance),(3) Monica Electronics Limited,
9.	Rustagi U.C	B.Com CA(Inter)	General Manager (Accounts)	01.07.1997	2,96,706	22	45	General Manager (Accounts),(3) Adonis India Limited

NOTES: (i) 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.

(ii) None of the employees is a relative of any director of the company.