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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
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Excellence in Lighting

20th
Annual Report
1996-97

AUTOLITE (INDIA) LIMITED





Autolite (India) Limited

20th Annual Report 1996-97

Board of Directors:

Shri D.P. Gupta
(Chairman & Managing Director)

Shri Y. P. Gupta
Shri J. P. Gupta
Shri M. P. Gupta
Shri R. P. Gupta
Shri B. C. Bhandari
Shri Shadilal Gupta
Shri Naval Choudhary
Shri Vijay Mehta

Company Secretary :
Shri Devendra Manchanda

Bankers:
State Bank of Bikaner & Jaipur
International Banking Branch
S.M.S. Highway, Jaipur

State Bank of India
Jaipur South Branch
22 Godowns, Jaipur

Auditors:
M/S H.C.Garg & Co.
Chartered Accountants
3, Gangwal Park,
JAIPUR- 302 003 (Rajasthan)

**Registered Office & Works
(Head Lamp Unit)**
D-469, Road No. 9A,
Vishwakarma Industrial Area,
JAIPUR- 302 013 (Rajasthan)

Halogen Lamp Unit (100% EOU)
E 526 to 530,
RIICO Industrial Area,
Tonk Road, Sitapura,
JAIPUR (Rajasthan).

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Autolite (India) Limited

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of M/S AUTOLITE (INDIA) LIMITED will be held at its registered office at D-469, Road No.9A, Vishwakarma Industrial Area, Jaipur- 302 013 on Tuesday, the 30th December, 1997 at 10.00 A.M. to transact following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Profit and Loss Account for the year ended on 31st March, 1997 and the Balance Sheet as at that date together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend for the financial year ended on 31st March, 1997.
3. To Reappoint Shri D.P.Gupta as Managing Director.
4. To appoint a director in place of Shri M.P.Gupta who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri R.P.Gupta who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a director in place of Shri Naval Choudhary who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors to hold office from conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

8. 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 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, Memorandum and Articles of Association of the Company and subject to the requisite approvals, the consent of the Company be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as the "Board") to sell and to transfer the Undertakings/Unit of the Company consisting of Garment Division Unit at Amber Road, Jaipur City (Raj) including all movable and immovable properties pertaining to this division as a going concern with power to the Board to determine, negotiate and finalise the price and execute documents including agreements/deeds of assignments / conveyance and any other writings as may be necessary, desirable or

expedient as the Board may deem fit and to do such other acts, deeds, matters and things including tax clearance as the Board may in its absolute discretion deem necessary, proper, desirable or expedient to complete the sale and transfer of the said undertakings."

"RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts as it may deem necessary to settle any final details that may arise in regard to the offer, vesting/transfer of the movable or immovable properties of the said undertakings of the Company in favour of the buyers."

"RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any Committee of Directors or Managing or Whole-time Director(s) of the Company to give effect to the aforesaid Resolutions."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution.

RESOLVED THAT pursuant to the provision of Section 198, 269, 309, 314 and other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Government, Shri Dharam Pal Gupta be and is hereby appointed as Managing Director of the Company to hold office for a period of five years with effect from 1st April, 1997 on the terms and conditions set out in the explanatory statement with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment as may be directed by Central Government and agreed to by the Board and accepted by Shri Dharam Pal Gupta.

Appointment of Shri Dharam Pal Gupta as whole time Director for five years to be on the following remuneration :-

1. **Basic Salary:** Basic Salary of Rs.50,000/- (Rupees Fifty Thousand Only) per month in the grade of 50,000- 10,000- 1,00,000-
2. **Commission on Net Profit:** Two percent of the net profit of the Company for each financial year as computed under provisions of sections 349 & 350 of the Companies Act, 1956.
3. **Perquisites:** In addition to above, he shall be entitled to the perquisites as set out in explanatory statement annexed hereto. The value whereof will be restricted to an amount equal to 50% of annual salary or Rs.6,00,000/- per annum, whichever is less.



FURTHER RESOLVED THAT this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction, at their discretion, increments within the same grade in due course, together with the allowances and benefits as may be applicable to the same grade or grades as they may

deem fit and proper subject, however to condition that the salary and perquisites shall within the ceiling prescribed under Schedule XIII of the Companies Act, 1956 from time to time.

By Order of the Board

Place : JAIPUR
Dated: 03.10.97

(D. Manchanda)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement setting out the material facts in respect of the business under Item Nos. 8 to 9, is enclosed.
4. 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 10.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting.
5. Members /Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
6. The dividend, when sanctioned, will be paid within 42 days from the conclusion of Annual General Meeting.
7. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the Annual General Meeting so as to enable the management to keep the information ready.
8. Members are requested to inform the Company, Income-tax Permanent Account Number (PAN), if any, allotted to them by the Income-tax Authorities and the designation, district / circle and address of the Income-tax assessing Officer by whom their income is assessed or assessable, in case the same have not already been submitted to the Company, as such particulars are statutorily required to be stated in the Tax Deduction Certificate issued to the Shareholders.

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

ITEM NO. 8

In the opinion of the Board of Directors of the Company that the Garment Division of the Company should be Disposed of / Transferred in the interest of the Company. Negotiations are on with some prospective buyers.

Under the provisions of Section 293(1)(a) of the Companies Act, 1956 the consent of the shareholders of the Company is required to dispose off the whole or substantially the whole of the Division of the Company.

The Board therefore recommends this Resolution for the approval of the Members.

Mr.D.P.Gupta, Mr.Y.P.Gupta, Mr.J.P.Gupta, Mr.M.P.Gupta and Mr.R.P.Gupta are interested in the said resolution.

ITEM NO. 9 :

Shri Dharam Pal Gupta, Managing Director was reappointed by the Board of Directors with effect from 1st April, 1997 for a period of five years under the provision of Section 198, 269, 309, 314 and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government, if any. Shri Dharam Pal Gupta is also Managing Director of another Company, Autopal Industries Limited.

Autolite (India) Limited

The Board of Directors have felt that it would be in the best interest of the Company to reappoint Shri Dharam Lal Gupta as Managing Director of the Company for a period of five years on the following perquisites:-

CATEGORY 'A'

01. **Housing:** Residential Furnished Accommodation (company leased) or in lieu thereof House Rent Allowance @ 60% of the salary over and above 10% payable by him.
02. **Gas, Electricity, Water and Furnishings:** The expenditure incurred by the company on Gas, Electricity, Water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 10% of the salary.
03. **Medical Reimbursement:** Expenses incurred for self and his family members subject to a ceiling of one months salary in a year or a three months salary over a period of three years.
04. **Leave Travel concessions:** For self and his family members once in a year incurred in accordance with the rules specified by the company.
05. **Club Fees:** Fees of clubs subject to a maximum of two clubs. This will not include admission and Life membership fees.
06. **Personal Accident Insurance:** Premium not to exceed Rs.4,000/- per annum on any policy, if any, taken by the company or reimbursement to him in this behalf.

CATEGORY 'B'

The following perquisites shall also be allowed and they will not be included in the computation of the ceiling on perquisites mentioned above as permissible under existing law:

01. Company's contribution to Provident Fund @ 10% of the salary.
02. Company's contribution towards superannuation fund as per the rules of the Companies superannuation scheme as may be applicable from time to time provided however that the company's contribution to the Superannuation Fund together with the contribution to the Provident Fund shall not exceed 25% of the salary or any other higher amount that may be permissible under the law.
03. Gratuity in accordance with the rules of the company as applicable to the senior executives of the company but not exceeding one half months salary for each completed year of service.
04. Encashment of Leave at the end of the tenure shall not be included in the computation of ceiling of perquisites.

CATEGORY 'C'

Provision of car with driver and telephone at residence provided that personal long distance calls on telephone and use of car for private business shall be recovered by the company.

Sarvashri Y.P. Gupta, J.P. Gupta, M.P. Gupta and R.P. Gupta may be deemed to be interested in the said resolutions.

The Board of Directors of your company recommend this Resolution for your approval.

Place : JAIPUR
Dated : 03.10.97

By Order of the Board
For AUTOLITE (INDIA) LIMITED

(D. MANCHANDA)
Company Secretary



DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting 20th Annual Report and audited accounts for the financial year ended on 31st March, 1997

FINANCIAL RESULTS

	(Rs. in Lacs)	
	1996-97	1995-96
Sales	3565.26	4168.20
Gross Profit before tax & Depreciation	237.08	940.11
Less: Depreciation	158.65	135.04
Provision for Taxation	10.00	30.00
Net Profit for the Year	104.43	775.07
Add: Balance in P & L Account	800.64	226.12
Add: Excess Provision for dividend written back	0.01	0.65
Surplus available for appropriation	905.09	1001.84
Appropriations:		
General Reserve	10.00	100.00
Dividend	28.88	101.20
Surplus carried to B/S	866.21	800.64

DIVIDENDS

Your Directors are pleased to recommend dividend (subject to tax) for the financial year 31st March, 1997 which if approved at the ensuing Annual General Meeting will be paid out of profits of the company for the said year to all those shareholders whose names were appeared on the Register of Members as on 30th September, 1997, as follows:

(i) Preference Shares: On 2,50,000, 18% Redeemable Preference Shares of Rs.10/- each at Rs. 1.80 per share.

(ii) On Existing 5059296 Equity Shares of Rs.10/- each at Rs. 0.50 per share.

AUDITORS

The Auditors of the Company, M/S H.C. Garg & Co., Chartered Accountants, Jaipur, retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect that the proposed re-appointment, if made, will be in accordance with sub-section (1B) of Section 224 of the Companies Act, 1956.

DIRECTORS

Shri M.P.Gupta, Shri R.P.Gupta & Shri Naval Choudhary, retire by rotation and being eligible, offer themselves for re-appointment.

LABOUR TROUBLE

Labour trouble started in June 1996 was finally over in December, 1996. From January, 1997 onward company commenced normal operations. Due to this labour trouble company suffered on account of Loss of Turnover, Loss of Profit, Loss of material due to unskilled labour hired in production.

ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

The Company's operations involve low energy consumption. The Company has its own Research & Development, equipped with modern instruments and well qualified personnels. Research is carried out regularly. The Company has developed head lamps and bulbs to meet the stringent quality requirements of international standards.

Your Company has been awarded with ISO 9001 certificate by BVQI, Germany. Company is now striving for attaining QS 9000 standard, the most stringent quality standard. Company hopes to get the same by January 1998.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding foreign exchange earnings is given in the Annexure forming part of this report.

SUBSIDIARY COMPANY

Pursuant to Section 212 of the Companies Act, 1956 the Annual Account for the year 31st March, 1997 as also the Auditors' and Directors' Reports of the Subsidiary Companies are attached to the Accounts of the Company. Statement pursuant Section 212 of the Companies Act, 1956 relation to the Subsidiary Companies is attached to the Account.

FIXED DEPOSIT

The Deposits from the Public and the shareholders as on 31st March, 1997 amounted to Rs 493.48 Lacs and the unclaimed amount of fixed deposit was Rs.0.50 Lacs out of which Rs.0.50 Lacs has since been repaid.

AUDITORS QUALIFICATIONS

Explanation has already been given in the Notes on accounts and no further explanation is required.

Autolite (India) Limited

PARTICULARS OF EMPLOYEES:

Information in accordance with section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is set out in the Annexure forming Part of this Report.

PERSONNEL

The Board places on record their appreciation of the valuable contribution made by employees in the various Unit of the Company.

ACKNOWLEDGMENT

The Board acknowledges with gratitude the Cooperation and assistance provided by the Company's Bankers, Financial

Institutions, Governments and non - Government agencies. The relationship with the employees remained cordial and the Director wish to place on record their appreciations of the contribution made by the employees at all levels.

Your Directors also convey their sincere thanks to the shareholders, Fixed Depositors, dealers, customers, Suppliers and concerned Agents for their continued co-operation extended to the Company at all times.

Your Directors further express their deep appreciation of the contribution made by the employees at all levels towards the growth of the Company.

for and on behalf of the Board of Directors

Place : JAIPUR

Dated : 03.10.97

D.P.GUPTA

Chairman & Managing Director

ANNEXURE- I TO DIRECTOR'S REPORT

FOREIGN EXCHANGE EARNING AND OUTGO :

	(Rs.)
(A) EARNINGS	29,57,14,666.00
(B) OUTGO	
Import of Raw Material	6,88,69,516.00
Import of Capital Goods	1,42,80,543.00
Travelling	18,64,587.00
Commission	65,45,367.00
Other Expenses	41,37,742.00

ANNEXURE- II TO DIRECTOR'S REPORT:

Particulars of Employees as per Section 217(2A) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 1988 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended 31st March, 1997.

Name of Employee	Designation	Gross Remu-eration	Qualification (Years)	Exp. (Years)	Age	Date of Appointment	Last Employment Designation & Period
Shri J. P. Gupta	Whole Time Director	7,78,148	Inter	34	54	12.1.88	—
Shri M. P. Gupta	Whole Time Director	7,89,753	Diploma in Mech. Engg.	29	48	Since Incorporation	—
Shri R. P. Gupta	Whole Time Director	7,52,319	M.A.	28	47	9.9.85	—
Shri Y. P. Gupta	Whole Time Director	2,00,465 (Part of the yr.)	Inter	31	56	30.12.96	Autopal Industries Ltd.

1. Remuneration includes Salary, House Rent Allowance, Medical, Bonus, Employers Contribution to Provident Fund.



ANNEXURE - III TO DIRECTORS' REPORT

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Holding Company's interest in the Subsidiary Companies

1. Name of the Company	:	Autopal Inc
2. Financial Year ended on	:	31st Oct, 1996
3. The extent of the holding Company's interest in the subsidiary at the end of the financial year of the Subsidiary	:	1. (i) No. of equity shares held : 6 (US\$ 10,000 each) (ii) Percentage of shareholding: 100
4. The net aggregate amount of the Profit / (Loss) of the Subsidiary's, so far as it concerns the members of the company and	:	-
a. is not dealt with in the Company's accounts of the Subsidiary's profit after deducting loss:		
for the financial year ended on 31.10.1996 (US\$)	:	4217
for the previous financial year (US\$)	:	(14,879)
b. is dealt with the Co.'s Accounts	:	
for the financial year ended on 31.10.1996(US \$)	:	Nil
for the previous financial years since it became subsidiary (US \$)	:	Nil
4. Changes in the interest of the Company between the end of the financial year of the subsidiary and 31st March,1997	:	Nil
5. Material changes between the end of the financial year of the subsidiary and 31st March,1997 of the subsidiary's fixed assets, investments and moneys lent/ borrowed by them.	:	Nil