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## Board of Directors

**S.H. Park**  
Chairman

**S.J. Kim**  
Vice Chairman

**S. G. Awasthi**  
Managing Director

**U. I. Ko** - Dy. Managing Director

**Y. C. Kim** - Dy. Managing Director

**C.M. Song** - Dy. Managing Director

**M.S. Bahng** - Dy. Managing Director

**Y. N. Wang**

**Vivek Bharat Ram**

**S.P. Nagarkatte**

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### Bankers

State Bank of India  
Punjab National Bank  
Bank of India

American Express Bank Limited  
Citibank, N.A.  
Standard Chartered Bank  
Societe Generale  
Bank of Tokyo-Mitsubishi Limited

Indus Ind Bank Limited  
HDFC Bank Limited  
Times Bank Limited

### Auditors

A.F. Ferguson & Co.,  
Chartered Accountants

### Registered Office

International Trade Tower  
Block-F, S-2, Upper Ground Floor,  
Nehru Place, New Delhi- 110 019

### Works

A-1, Surajpur Industrial Area,  
NOIDA-Dadri Road, Tehsil Dadri  
Distt. Gautam Budh Nagar - 203207, (U.P.)

## NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Tuesday, the 30th December, 1997, at 10 A.M., at Air Force Auditorium, Subroto Park, New Delhi-110010 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997, the Profit and Loss Account for the financial year ended on that date and the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Y.C. Kim, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M.S. Bahng, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Kapadia Parera Makhijani Girish, a full member firm of KPMG International, as auditors of the Company, in place of M/s. A.F. Ferguson & Co., Chartered Accountants, who are not offering themselves for re-appointment, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company. Further, the Board may be authorised to fix the remuneration and travelling and other out-of-pocket expenses to be paid to the auditors for the purpose of the audit.

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:  
 "Resolved that pursuant to the provisions of Section 21 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the name of the Company be and is hereby changed from "DAEWOO MOTORS (INDIA) LIMITED" to "DAEWOO MOTORS INDIA LIMITED" and that the name

of 'Daewoo Motors (India) Limited' wherever it occurs in the Memorandum and Articles of Association be substituted by 'Daewoo Motors India Limited.' "

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby altered from Rs.1500,00,00,000 (Rupees One Thousand Five Hundred Crores Only) divided into 150,00,00,000 (One Hundred Fifty Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs.1500,00,00,000 (Rupees One Thousand Five Hundred Crores Only) divided into 125,00,00,000 (One Hundred Twenty Five Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each and 250,00,000 (Two Hundred Fifty Lakhs) Preference Shares of Rs.100/- (Rupees Hundred Only) each.

Resolved further that pursuant to the applicable provisions, if any, of the Companies Act, 1956, the existing Capital Clause (Clause V) of the Memorandum of Association of the Company be and is hereby substituted by the following:

'The Share Capital of the Company is Rs.1500,00,00,000 (Rupees One Thousand Five Hundred Crores Only) divided into 125,00,00,000 (One Hundred Twenty Five Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each and 250,00,000 (Two Hundred Fifty Lakhs) Preference Shares of Rs.100/- (Rupees Hundred Only) each.'

7. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, and subject to

such approvals, as may be necessary, the Articles of Association of the Company be and is hereby amended as follows:

- a. In Article 1 the following be substituted:

'The Company' or 'This Company' means 'DAEWOO MOTORS INDIA LIMITED' for 'The Company' or 'This Company' means 'DAEWOO MOTORS (INDIA) LIMITED'.

- b. Article 4(a) & 4(b) be substituted by the following:

'4(a) The Authorised Share Capital of the Company is Rs.1500,00,00,000 (Rupees One Thousand Five Hundred Crores Only) divided into 125,00,00,000 (One Hundred Twenty Five Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each and 250,00,000 (Two Hundred Fifty Lakhs) Preference Shares of Rs.100/- (Rupees Hundred Only) each.'

'4(b) All further Shares in the Capital of the Company beyond the existing Capital under Article 4(a) above may from time to time be issued by Special Resolution.'

- c. The following new Article 4A be inserted before Article 5 of the Articles of Association:

'Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company be liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption. Such Preference Shares shall enjoy any such additional rights including convertibility rights as may be permissible under law.'

8. To consider and, if thought fit, to



pass with or without modification, the following resolution as an Ordinary Resolution:

"Resolved that Mr. Vivek Bharat Ram, who was appointed as an Additional Director on March 31, 1997, and whose term of office expires at this Annual General Meeting be and is hereby appointed as Director of the Company."

9. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"Resolved that Mr. C.M.Song, who was appointed in casual vacancy caused by resignation of Mr. H.S.Singhania be and is hereby appointed as Director of the Company liable to retire by rotation."

10. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"Resolved that in supersession of Resolution No.11 passed at the Annual General Meeting of the Company held on 2nd December, 1996, the Board of Directors of the Company be and are hereby authorised in terms of Section 370 (1)(b) and other applicable provisions, if any, of the Companies Act, 1956, to give guarantees and/or to provide security, in connection with the loans made by any other person to, or to any other person by, any body corporate, whether or not under the same management as the Company, as the Board may deem fit within an aggregate overall limit of Rs.500 Crores (Rupees Five Hundred Crores Only)."

11. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"Resolved that in supersession of Resolution No.12 passed at the Annual General Meeting of the Company held on 2nd December, 1996, consent of the Company be and is hereby accorded under

Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, and such other approvals, as may be necessary, to the Board of Directors of the Company to borrow from time to time any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board and outstanding, excluding interest, shall not at any time exceed Rs. 3500 Crores (Rupees Three Thousand Five Hundred Crores Only)."

12. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"Resolved that in supersession of Resolution No. 13 passed at the Annual General Meeting of the Company held on 2nd December, 1996, consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and such other approvals, as may be necessary, to the Board of Directors of the Company to the creation of such mortgages and charges and having such priority in ranking by way of floating/ residual mortgages/ charges and being subsequent or subservient to the existing mortgages/ charges and hypothecations created by the Company on all or such movable or immovable properties of the Company as the Board may decide, both present and future for securing the loan and other financial assistance obtained/ to be obtained by the Company; provided that the mortgages/ charges so created shall not exceed Rs.3500 Crores (Rupees Three Thousand Five Hundred Crores Only)."

Resolved further that the Board of Directors of the Company be and is hereby authorised to finalise the documents for creating the aforesaid mortgages/ charges and to do all such acts and things as may be necessary for giving effect to the above resolution."

13. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"Resolved that in supersession of Resolution No.14 passed at the Annual General Meeting of the Company held on 2nd December, 1996, the approval be and is hereby given to the Board of Directors pursuant to Article 67(2)(f) of the Articles of Association of the Company and subject to such approvals, as may be necessary, to acquire assets for implementing the expansion of the Company's activities provided, however, that the cost of assets so acquired shall not exceed Rs. 4000 Crores (Rupees Four Thousand Crores Only)."

14. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"Resolved that in supersession of Resolution No.16 passed at the Annual General Meeting of the Company held on 2nd December, 1996, subject to such provisions, consents, sanctions and permissions as may be required, consent of the Company be and is hereby accorded in pursuance of Article 67(2)(g) of the Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 1956, and other laws, in favour of the Board of Directors of the Company to issue bonds, financial instruments, secured redeemable non-convertible/partly convertible/fully convertible debentures to the existing members by way of Rights Issue and/ or to the public through prospectus and/ or to any one or more persons,



investment institutions, financial institutions, whether incorporated in India or abroad, by private placement whether at par or at such premium as may be decided by the Board provided that the aggregate amount of the issue which may be made in one or more tranches in terms of this authorisation including the premium, if any, shall not exceed Rs. 450 Crores (Rupees Four Hundred Fifty Crores Only).

Resolved further that for the purposes of giving effect to the above resolution the Board be and is hereby authorised inter-alia from time to time to finalise the terms and conditions of the issue, including the total amount of issue, face value, interest rate, security, redemption, mode of issue, the name of person/ persons to whom the offer should be made in the event of Rights Issue, to decide the ratio in which the same is to be issued, to finalise and prescribe the form of prospectus, other documents, the issue price of bonds, financial instruments, debentures and to make or carry out any alterations or modifications thereto, appoint Trustees of the Debenture holders, execute mortgage in favour of the Debenture holders, Trustees and in favour of such other persons as may be necessary and to do all such things as may be necessary for securing the debentures etc., and to make or carry out any alterations or modifications as Board may consider necessary in the interest of the Company and/ or as suggested or recommended by any of the concerned authorities/ agencies without requiring any further approval of the Members and further to do all such acts, deeds, matters and things as the Board may in its absolute discretion, consider necessary, expedient, usual or proper and to settle any questions or remove any difficulty that may arise with regard to the terms and conditions including

utilisation of the proceeds of the issue."

15. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution

"Resolved that subject to such provisions, consents, sanctions and permissions as may be required, consent of the Company be and is hereby accorded in pursuance of Section 80,81 and other applicable provisions, if any, of the Companies Act, 1956, ("the Act") and other laws, in favour of the Board of Directors of the Company to issue, offer and allot Preference Shares of Rs.100/- each inter-alia carrying the rights set out in clauses (a) and (b) of sub-section 1 of Section 85 of the Act, and pursuant to the Company's Memorandum and Articles of Association to any one or more persons whether or not shareholders of the Company, investment institutions, financial institutions whether incorporated in India or abroad, by private placement whether at par or at such premium as may be decided by the Board provided that the aggregate amount of the issue which may be made in one or more tranches in terms of this authorisation including the premium, if any, shall not exceed Rs. 250 Crores (Rupees Two Hundred Fifty Crores Only).

Resolved further that for the purposes of giving effect to the above resolution the Board be and is hereby authorised inter-alia from time to time to finalise the terms and conditions of the issue, including the total amount of issue, nominal value, rate of dividend, amount of premium, and to make or carry out any alterations or modifications to the terms so finalised as the Board may consider necessary in the interest of Company and/ or as suggested or recommended by any of the concerned authorities/ agencies

without requiring any further approval of the Members and further to do all such acts, deeds, matters and things as the Board may in its absolute discretion, consider necessary, expedient, usual or proper and to settle any questions or remove any difficulty that may arise with regard to the terms and conditions including utilisation of the proceeds of the issue."

By Order of the Board

New Delhi

S.G.AWASTHI

November 29, 1997 Managing Director

#### Notes:

1. Relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of resolutions set out under items 5 to 15 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members of the Company will remain closed from 18th November, 1997 till 17th December, 1997 (both days inclusive).
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all days, except holidays, between 11A.M. and 1 P.M. upto the date of the Annual General Meeting.
5. Members are requested to bring their copy of the Annual Report for 1996-97 to the meeting.
6. No gifts will be distributed.

## ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, IN RESPECT OF SPECIAL BUSINESS:

### Item Nos.5&7

The shareholders of the Company, at the Extraordinary General Meeting held on April 24, 1997, had approved the change in name of the Company from "DCM DAEWOO MOTORS LIMITED" to "DAEWOO MOTORS (INDIA) LIMITED" subject to the necessary Government approval. The name of the Company was changed to "Daewoo Motors (India) Limited" with effect from May 5, 1997. Subsequently, it was decided by the Board of Directors that the word 'India' be written therein without parenthesis. The requisite name availability approval has been obtained.

Consequently, the Articles of Association also needs amendment.

The Directors recommend these resolutions to the shareholders.

None of the Directors is interested in these resolutions.

### Item No.8

During the year Mr. Vivek Bharat Ram resigned as Wholetime Director and was appointed as Additional Director on March 31, 1997. He holds office as Additional Director till the conclusion of this Annual General Meeting.

The Company has received notice under Section 257 of the Companies Act, 1956, from a member of the Company notifying his intention to propose Mr. Vivek Bharat Ram as a candidate for the office of Director.

The Directors feel that it will be beneficial for the Company to have Mr. Vivek Bharat

Ram on the Board, and, therefore, commend his appointment as a Director.

None of the Directors except Mr. Vivek Bharat Ram is interested in the resolution.

### Item No. 9

During the year Mr. C.M. Song was appointed in casual vacancy caused by resignation of Mr. H.S. Singhanian. He is retiring at this Annual General Meeting and it is proposed to appoint him as Director.

The Company has received notice under Section 257 of the Companies Act, 1956, from a member of the Company notifying his intention to propose Mr. C.M. Song as a candidate for the office of Director.

The Directors feel that it will be beneficial for the Company to have Mr. C.M. Song on the Board, and, therefore, commend his appointment as a Director.

None of the Directors except Mr. C. M. Song is interested in the resolution.

### Item No.10

At the Annual General Meeting of the Company held on 2nd December, 1996, the shareholders had authorised the Company to give guarantees or provide security in connection with a loan made by any person to or to any other person by any body corporate upto a limit of Rs.200 Crores. With the expansion of activities of the Company, this limit has become inadequate. It is therefore, requested that the shareholders may authorise the Board to give guarantees and/or provide securities upto Rs.500 Crores.

None of the Directors is interested in the resolution.

### Item Nos. 6,7,10 to 15

The Company is in the process of further expansion and diversification. And for

this purpose, needs to acquire further assets and also resort to further borrowings, consequent to which the Company may be required to create mortgages/charges on its assets. Therefore, the limits fixed by the shareholders in the Annual General Meeting held on 2nd December, 1996, will require revision.

	Existing Rs./ Crores	Proposed Rs./ Crores
Borrowing Limits	3000	3500
Mortgages/Charges	3000	3500
Acquiring of Assets	3000	4000.

The shareholders had also approved in the Annual General Meeting of the Company held on 2nd December, 1996, the issue of Debentures, Bonds, Financial instruments upto Rs.350 Crores. The existing limits will not be sufficient for meeting its project cost requirement. Therefore, it is proposed to increase the limit to Rs.450 Crores.

It is also proposed to meet the Company's requirement inter-alia by issue of Preference Shares, which the Company may come out with, depending upon the market situation. Accordingly, the Memorandum and Articles of Association of the Company also need to be amended.

The Directors recommend these resolutions to the shareholders.

None of the Directors is interested in the said resolutions.

By Order of the Board

New Delhi  
November 29, 1997

S.G. AWASTHI  
Managing Director



## DIRECTORS' REPORT

The Directors have pleasure in presenting the 14th Annual Report, together with the accounts of the Company for the financial year ended March 31, 1997.

### FINANCIAL RESULTS

	(Rs. Lakhs)	
	1996-97	1995-96
Sale of Products and other Income	96338	65419
Sale of Products (Turnover)	94447	59833
Profits before interest, depreciation and misc. expenses written-off	5910	8711
Interest	4123	2702
Provision for depreciation	1277	742
Misc. Expenses Written-off	346	298
Net profit after tax for the year	143	4969
Balance brought forward from the previous year	336	(4633)
Balance carried forward	480	336

### OPERATIONS

Your Directors are pleased to report that the Company has earned a profit of Rs. 143 Lakhs in the year under report and the accumulated profit stands at Rs. 480 Lakhs as at 31.03.97. During 1996-97 the total income and profit after tax are Rs. 963.38 Crores and Rs. 1.43 Crores respectively as against Rs. 2157.20 Crores and Rs. 87.50 Crores as given in the Letter of Offer. This shortfall is mainly due to slow growth in the mid size premium car market in India than expected. As a result the level of operations and financial results have been affected adversely.

CIELO was launched on July 29, 1995 and today there are more than 30,000 cars on the Indian roads. The Company's commitment to its customers and automobile market remains of paramount importance. Since the CIELO launch,

besides special services like the 'Helpline', 'Happy Call Centres', the Company has also introduced mobile 'Super Parts Service' to facilitate an excellent service base for customer needs and aspirations. The Company today has a vast network of over 100 Dealers and over 100 Authorised Service Centres to respond to the CIELO owners requirements.

### PRODUCTION AND SALES

The production and sales figures for Cars and LCVs, for the year 1996-97, are as under:

	Cars	LCVs
Production (Nos.)	17537	875
Sales (Nos.)	15727	888
Sales Value (Rs. Lakhs)	87570	4363

### PROSPECTS

#### CARS:

Daewoo Corporation has earmarked major expansion plans for automobiles with an ambitious target of selling 2.5 million cars by the year 2000 A.D. Your Company figures as one of its major production and sourcing centres for cars and components. The Company's expansion programme is progressing as per schedule. In the first phase, the facility of producing 72000 cars is already operational. In the second phase the Company is setting up facility for producing 300000 engines and transmissions each, aluminum die casting shop, press shop and manufacturing facility for other components for speedy localisation and sourcing capabilities. The Company is also setting up a captive power plant to maintain the uninterrupted power supply for the said manufacturing facilities.

Plans are afoot to bring in new models in every present and emerging segments of the Car Industry. The Company is working to soon launch a small car in the popular mini segment. This car is the latest from the Daewoo's own technical strength world wide and will be a part of the International launches to be followed soon after the Korean and European markets. Work is also going on to strengthen facility to bring in during years to come various other models including

one in the utility vehicle segment. The Company has already invested close to Rs. 2700 Crores and your Directors are pleased to announce that the progress as per investment plans are already on schedule.

### COMMERCIAL VEHICLES:

The Company plans to introduce Daewoo commercial vehicles in the current financial year to utilise the existing production capacity and optimise profitability.

### COMPONENT INDIGENISATION

In order to reduce the cost and immunise the Company from exchange rate fluctuations it is important to localise components. Apart from identifying major vendors for car components the Company has gone in for in-house facilities for all the major critical components i.e. Engine, Transaxle, Press shop and Aluminum die casting. For various other components like Seat Assembly, Muffler Parts, Head Lamp and Tail Lamp the Company has already entered into joint ventures. Component indigenisation is aimed at both quality assurance and cost competitiveness.

### INNOVATION PROGRAMME

An Innovation programme called 'Parivartan' has been launched in order to bring best-quality products and an overall improvement in work culture. This programme has its origin from the concept of NAC (New Automotive Industrial Concept); which has been successfully implemented at Daewoo Motor Company, Korea.

This is a modern technique for Innovation and continuation of thought process for improvement. It facilitates the participation of employees from all levels in the improvement programme at their respective departments / functional areas.

The object is for a 'Parivartan' in performance and work culture in order to grow as No.1 Automobile Company in India with total customer satisfaction and cost-competitive quality-products. The stress is on building strong and vibrant organisation, that can be competitive and ready to face any challenge. "Total participation ( of all



employees)", "Act as a role model ( by each employee )" and "Always do by action" are the key words for 'Parivartan'. The thrust is on continuous improvement of quality, productivity, individual ability and cost reduction in order to produce quality-products at competitive price with total customer satisfaction, which is the need of the hour. Moreover this programme now has been extended outside the Company at Dealerships and Service Centres for ensuring greater customer satisfaction and interface.

### RIGHTS ISSUE

In the year under report the Company came out with the Rights Issue of equity share at a premium of Rs. 5/- per share, consequent to which the paid up Capital of the Company increased from Rs.91.84 Crores to Rs. 511.18 Crores.

### FIXED DEPOSITS

The Company did not invite any deposit during the year. There were no deposits for which payments were claimed but not paid.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr.Y.C. Kim, Mr. M.S. Bahng and Mr. C.M. Song retire by rotation and are eligible for re-appointment.

### CONSERVATION OF ENERGY

Your Company is not covered under the Schedule of Industries under Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, requiring furnishing of information regarding conservation of energy. However, the Company does lay a great deal of emphasis on conservation of energy in all phases of operation.

### RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

1. a) The Company has set up a state of the art R&D centre equipped with Computer Aided Design (CAD) / Computer Aided Machine (CAM) facility, experiment shop, metallurgical / chemical and physical test laboratories, durability test laboratory, engine

test laboratory, emission test laboratory and vehicle test laboratory for the purpose of :

- i. testing various indigenous components according to localisation programme,
  - ii. ensuring compliance with Government Regulations such as Fuel Efficiency, Emission control, Road worthiness etc.,
  - iii. absorbing technology obtained from Daewoo Motor Company, Korea and adapt the same to suit domestic market conditions .
  - iv. continuous improvement of overall performance of the product.
- b) Benefits derived as a result of above R&D are:
- i. cost saving,
  - ii. increased localisation thus saving foreign exchange,
  - iii. improvement of quality of indigenous components through technical support to vendors and
  - iv. constant improvement of product quality.

#### c) Future plan of action:

The Company will continue its R&D efforts for latest technology absorption and for expanding its product range.

#### d) Expenditure on R&D:

- i. Capital Rs.543.46 Lakhs
- ii. Recurring Rs. 67.71 Lakhs
- iii. Total Rs.611.17 Lakhs
- iv. Total R&D expenditure as a percentage of total turnover 0.63%

#### 2. a) Technology Absorption, Adaptation and Innovation:

Technology absorption and adaptation has been undertaken through training to Company's workers, engineers and executives at the Daewoo Motor Company's Plant in Korea and by their technicians at the Company's plant at Surajpur. Their latest

technology is being imported and adapted on a continuous basis on the components and the product.

#### b) Benefits derived from above efforts:

Absorption of latest technology has helped in improving the performance and the features of the product.

#### c) Technology imported:

The Company has imported technology from Daewoo Motor Company, Korea and is absorbing the same effectively, on an ongoing basis. The Company is importing technology to indigenise the imported components of its product.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

Information has been given in the Notes to the Accounts.

### AUDITORS' OBSERVATIONS

The Auditors' observations are self explanatory and/or are suitably explained in the Notes to the Accounts.

### PARTICULARS OF EMPLOYEES

The particulars of employees as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended 31st March, 1997, are given in Annexure 'A' to the Report.

### ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude for the support and co-operation received from the Central Government, U.P State Government, Shareholders, Financial Institutions and the Bankers to the Company. They also acknowledge their deep appreciation for the contribution made by the employees at all levels to the operations of the Company.

for and on behalf of the Board

S.H. PARK  
Chairman

S.G. AWASTHI  
Managing Director

New Delhi  
November 27, 1997.

