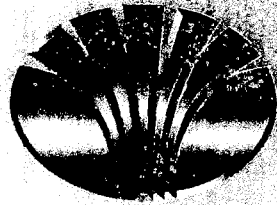


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CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
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A N N U A L R E P O R T 1 9 9 7 - 9 8



DAEWOO

WORLD
CLASS

A company is known for the work it does and the people it keeps. And here is where Daewoo Motors is a force to



reckon with. All around the world, Daewoo isn't only known for its products, it's known for its commitment to bring the planet's most modern state-of-

Cielo

the-art technology to wherever it opens its doors.

At Daewoo Motors, we are not led by myopic, short term goals. That is why, Daewoo Motors is today India's largest

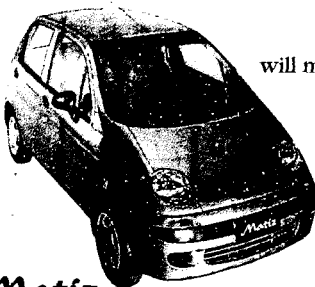
foreign investor not only amongst automobile companies but in the entire Indian industry. Today, the Daewoo Group

is the 18th largest corporation in the Fortune 500 list of global companies and is the biggest group in Korea.

When we entered India on July 9, 1994 we had a dream to change the way people looked at transportation. We came

committed to the growth of the Indian Auto industry. Within a record time, we launched our first

product, the Cielo and subsequently our LCV range. With the launch of the Matiz this year, we



will move even closer to our vision of being present in every present

and growing segment of the Indian car market.

Matiz

Daewoo Motors endeavours to continuously improve its technology and provide

world class products to the Indian consumers. That is why, we have tested our small car, the Matiz, extensively in India

over a period of time in the harshest of Indian climatic conditions and exposed it to the toughest tests to give to the

Indian consumers a product that is not only world class and a market leader in Korea and other parts of the world but

also a product which is thoroughly suited to Indian conditions. This is how Daewoo Motors strives to improve the quality

of life and contribute towards progress and prosperity.

No wonder, the world over, people expect nothing but the best from Daewoo Motors.



CARAVAN



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

Radhika S.Minocha

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Bankers

American Express Bank Limited
Bank of Tokyo-Mitsubishi Limited
Canara Bank Limited
Citibank, N.A.
HDFC Bank Limited
IndusInd Bank Limited
Punjab National Bank Limited
State Bank of India
State Bank of Patiala
Societe Generale
Standard Chartered Bank
Times Bank Limited

Union Bank of India
Corporation Bank
Oriental Bank of Commerce

Auditors

Kapadia Parera
Makhijani Girish,
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 Fifteenth Annual General Meeting of the Company will be held on Thursday, the 29th October, 1998, at 11 A.M., at Siri Fort Auditorium, Asian Games Village, New Delhi-110049 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998, 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. U.I. Ko, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Y.N. Wang, who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Auditors:
To appoint M/s Bharat S Raut & Co., Chartered Accountants, as auditors of the Company, in place of M/s Kapadia Parera Makhijani Girish, 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. A notice has been received from a shareholder proposing the candidature of M/s Bharat S. Raut & Co., Chartered Accountants.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"Resolved that Mr. S.H. Park, who was appointed in the casual vacancy caused by resignation of Mr. C.S. Lee, be and is hereby appointed as director of the

Company who is liable to retire by rotation".

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

"Resolved that pursuant to the provisions of Section 269, 309 & 198 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the other approvals as may be required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. S.G. Awasthi as the Managing Director and Whole-time Director of the Company for a period of five years with effect from 15.2.99 on the terms and conditions and remuneration as set out in the explanatory statement."

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

"Resolved pursuant to Section 198, 310 & 311 and other applicable provisions of the Companies Act, 1956, if any, and subject to the approval of the Central Government and to such other approvals as may be required, the remuneration of all the Whole-time Directors of the Company be and is hereby revised as follows:

1. Salary : As may be decided by the Board subject however to a maximum of Rs.1.6 lacs per month.
2. Perquisites: In accordance with the rules and regulations of the Company.

The overall remuneration by way of salary, dearness allowance, perquisites, commission and other allowances shall not exceed, 5% of the net profit of the Company in that year for a Whole-time Director and, 10% of the net profit for all the managerial functionaries put together, as calculated under Section 349 and 350 of the Companies Act, 1956.

Resolved further that in case of

absence or inadequacy of profit in any financial year the remuneration to Whole-time Directors shall be, in accordance with the Provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any other amount as may be approved by the Central Government."

8. 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. 11 passed at the Annual General Meeting of the Company held on December 30, 1997 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.5000 Crores (Rupees Five Thousand Crores Only)."

9. 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 December 30, 1997 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, including 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 in its absolute discretion 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 in the aggregate excluding interest and other charges there on, Rs. 5,500 Crores (Rupees five 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."

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.13 passed at the Annual General Meeting of the Company held on December 30, 1997 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. 5000 Crore (Rupees five thousand crores only)."

11. 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 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 (i) Preference shares of Rs.100/- each inter-alia carrying the rights set out in Clauses (a) & (b) of Sub Section 1 of Section 85 of the Act and/or (ii) Equity Shares of Rs. 10/- each, pursuant to the Company's Memorandum and Articles of Association either to the existing members of the Company by way of Rights Issue and/or to the public through Prospectus and/or 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 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 these authorisation including the premiums, if any, shall not exceed Rs. 750 Crores (Rupees Seven 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, the name(s) of person(s) to whom the offer should be made, in the event of Rights issue to decide the ratio in which the same to be issued, to finalise and prescribe the form of Prospectus/other documents of offer, the issue price of the shares 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 all or any questions or remove any difficulty that may arise in implementing the resolution and utilisation of the proceeds of the issue."

By Order of the Board

New Delhi S.G. Awasthi
September 22, 1998 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 11 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 7th October, 1998 to 31st October, 1998.
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 11 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
5. Members are requested to bring their copy of the Annual Report for 1997-98 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 No.5

During the year 1997 Mr.S.H. Park was appointed in the casual vacancy caused by resignation of Mr.C.S Lee. Mr Park 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.S.H. Park as a candidate for the office of Director.

Mr.Park has vast experience in the automobile industry worldover. The Directors feel that it will be beneficial for the Company to have Mr.S.H. Park on the Board, hence commend his appointment as a director.

None of the directors except Mr.S. H. Park is interested in the said resolution.

Item No.6

The term of Mr. S.G. Awasthi as Managing Director and Whole-time Director expires on 14th February, 1999. The Board of Directors, at their meeting held on Sept 22, '98 has re-appointed Mr. S.G. Awasthi as the Managing Director and Whole-time the Company Director for further period of 5 years with effect from 15.2.1999 on the following terms and conditions:

Salary - As may be decided by the board subject however to a maximum of Rs. 1.6 lacs per month.

Perquisites - In accordance with the rules and regulations of the Company.

The over all remuneration by way of salary, dearness allowance, perquisites, commission and other allowance shall not exceed 5% of its net profit as calculated under section 349,350 of the Companies Act,1956.

In case of absence or inadequacy of profit, the remuneration to Mr. Awasthi shall be

in accordance with the provisions of Section-II of Part II of the Schedule XIII to the Companies Act,1956 or any other amount as may be approved by Central Government.

Your Directors recommend the appointment of Mr.S.G.Awasthi as stated above.

This may be treated as the abstract and memorandum under Section 302 of the Companies Act, 1956.

None of the Directors except Mr. S.G. Awasthi is interested in the said resolution.

Item No. 7

As the present remuneration to Whole-time Directors (Chairman, Vice Chairman, Managing Director, Dy. Managing Directors) is inadequate and keeping in view the general economic trend, the size of the Company, competition in the market and remuneration paid by other companies similarly placed, it is proposed to revise the remuneration subject to the approval of the Central Government.

Hence the Board recommend the resolution to shareholders.

This may be treated as the abstract and memorandum under Section 302 of the Companies Act, 1956.

All the respective directors are interested in the said resolution.

Item No.8,9 & 10

As the Company is implementing its further expansion plan for the purpose of manufacturing facilities for small cars and other models including bus and trucks, it is required to acquire further assets and to mortgage/create further charges on its assets for borrowing moneys by way of long term and short term loans. Hence, the limits fixed by the Shareholders in the Annual General Meeting (AGM) held on 30th December, 1997, need to be revised.

	Existing (Rs.Crores)	Proposed (Rs. Crores)
Borrowing Limits	3500	5000
Mortgages/Charges	3500	5500
Acquiring of Assets	4000	5000

The Directors recommend these

resolutions to the Shareholders.

None of the Directors is interested in the said resolutions.

Item No. 11

The Company is implementing its further expansion plan for the purpose of manufacturing facilities for small cars and other models and also bus and trucks. For this purpose, it is planned to raise the funds inter-alia by further issue of shares by any mode that would be suitable for the Company depending upon the market situation and other factors.

The above issue will be in accordance with the provisions of the Companies Act, 1956 and all other statutory regulations including the Guidelines issued by Securities and Exchange Board of India (SEBI). If the funds are raised by issue of equity shares on private placement basis then the same shall be offered to one or more of the following:

- Existing management group
- Financial Institutions
- FII's and
- NRI's

There will be no change in the management because of the same.

The pricing of the Issue will be in accordance with the subsisting guidelines issued by SEBI in this regard.

The Certificate from the statutory auditors stating that the issue, as proposed, if made on private placement basis would meet with the applicable guidelines of SEBI will be placed on the table at the AGM.

None of the Directors is interested in the said resolution except to the extent of shares that may be offered to them.

By Order of the Board

New Delhi
Sept. 22, 1998

S. G. AWASTHI
Managing Director

DIRECTORS' REPORT

The Directors have pleasure in presenting the 15th Annual Report, together with the accounts of the Company for the financial year ended on March 31, 1998.

FINANCIAL RESULTS

	(Rs. Lacs)	
	1997-98	1996-97
Sale of Products and other Income	44193	96456
Sale of Products (Turnover)	38350	94565
Profits before interest, depreciation and misc. expenses written-off	(713)	5710
Interest	336	3944
Provision for Depreciation	1779	1277
Misc. Expenses Written-off	1445	346
Net profit after tax for the year	(4273)	143
Balance brought forward from the previous year	480	336
Balance carried forward	(3793)	480

OPERATIONS

During the year under report the Company has suffered a loss of Rs.4273 lacs and the accumulated loss stands at Rs.3793 lacs as on 31.03.1998. This loss is mainly due to recession in the automobile industry specifically in mid-size car segment in India. Due to this, the level of operation, capacity utilisation and financial results have been affected adversely.

Daewoo Motors started its Indian operations with a dream- to be present in every segment of the automobile market. The founder Chairman of Daewoo, Mr. Kim Woo Choong, had said at the roll out of the first CIELO in July '95, "The dream is not only to be an integral part of the Indian automobile industry, but also to contribute to the prosperity of India and its people at large." Today, near about 40000 CIELOS are being driven by their proud owners on Indian roads and Daewoo's investment of close to Rs. 3500 crores in the plant at Surajpur has brought us very close to this dream. This is what we proudly call 'Daewoo's India'. Daewoo's commitment to India goes beyond manufacturing and sales, which has made the company pioneer several firsts in the automobile market like introduction of automatic transmission, MPFi system and safety airbags, etc. Specifically for our customers, we have also invested heavily in customer support infra-

structure. In just three years Daewoo has set up a network of over 110 dealers and over 100 Authorised Service Centres, something which only old established players in the Indian market can boast of. To constantly upgrade our service network the company has initiated an elaborate programme for training the dealers, dealers' salesmen and dealers' technicians. Dealers are also being evaluated continuously and the twin platforms of training and evaluation have made our dealer network strong for facing fierce competition ahead.

PRODUCTION AND SALES

The production and sales figures for Cars and LCVs, for the year 1997-98, are as under:

	Cars	LCVs
Production (Nos.)	5097	299
Sales (Nos.)	6143	364
Sales Value (Rs. Lacs)	33320	2010

PROSPECTS

CARS:

Daewoo worldwide remains committed to its automobile business and is moving close to its ambitious target of selling 2.5 million cars by the turn of this century. Your company is one of its major production and sourcing base for cars and components.

The Company's programme to gain core competence in manufacturing has already crossed several milestones and the facility to produce 72,000 cars per annum, 3,00,000 engines and transaxles each per annum, Aluminium Die-casting shop, Press shop, are in place and have helped achieve speedy localisation. The Plastic moulding shop is getting close to completion and will be commissioned soon. In addition, exports worth Rs.4877 lacs has already taken place during the year and the Company shall scale new heights during months to come. The Company has also set up a Captive Power plant which ensures uninterrupted power supply to its manufacturing facilities.

Daewoo's commitment to the Indian market has already been established and its plans to bring in new and modern products in every present and emerging segment of the automobile market are now known. The Company has recently launched two new buses - ROYALE (deluxe) and CARAVAN (standard) to tap the domestic and export market demands. These buses have, for the first time, offered Turbo-charged engines in their segment. The company is also on schedule to soon launch its world class latest offering - the small car MATIZ in the Indian market. This car, MATIZ, is a product of Daewoo's own tech-

nological brilliance and has just been launched in Korea and Europe where it has got spectacular success in the market. The Indian market has seen the latest technologies introduced only in the mid-segment and the luxury segment. With the introduction of Matiz there will be a qualitative change as high technology will be introduced in the small and the mini car segment for the first time. Indeed, MATIZ will change customers' perceptions about what they expect of small cars. The Matiz is a contemporary product with a competitive edge in technology, styling and safety. The MATIZ's launch in India will be followed by launch from production facilities in Europe. MATIZ will be produced at 4 production centres round the Globe-Korea, India, Poland and Romania. The Company is also working to bring in various other models in the Indian market including one in the utility vehicle segment. The company has already invested close to Rs.3500 Crores and your Directors are pleased to announce that the progress as per investment plans is already on schedule.

COMMERCIAL VEHICLES :

As stated, the company has already launched two new buses in the Indian market and is all set to introduce other Commercial Vehicles as well to utilise the existing production capacity and optimise profitability.

COMPONENT INDIGENISATION

The Daewoo Motors plant at Surajpur includes a state-of-the art engine and transmission plant with capacity to manufacture 3,00,000 engines and transaxles each per annum. A major part of this production is slated for exports to other Daewoo plants around the world. Daewoo Motors India has become a truly global production base for global sourcing. This along with in-house manufacturing of body panels in the Press shop, engine & transaxle components in Aluminium die casting shop and in-house manufacturing of plastic parts have resulted in DMIL achieving over 70% localisation of Cielo. The company has ambitious Vendor Development & expansion plans and apart from quality in-house production facilities, it has entered into Joint Ventures for localising other critical components. The in-house manufacturing capability and Vendor Development base will go a long way in establishing high localisation content for the MATIZ also.

INNOVATION PROGRAMME

The Innovative management programme called 'Parivartan' was launched last year to bring in overall improvement in our 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 in their respective departments / functional areas.

The objective is for a 'Parivartan' (change) 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 a 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 to Dealerships and Service Centres for ensuring greater customer satisfaction and interface. There have been very encouraging results from this novel programme and both, the production areas and the mindsets, have benefitted from it.

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. U.I. Ko, Mr. Y.N. Wang retire by rotation and are eligible for re-appointment. Mr. S. H. Park who was appointed in 1997 in the casual vacancy caused by resignation of Mr. C. S. Lee, is retiring this time and the Company has received notice from a member of the company signifying his intention to propose Mr. S. H. Park as a candidate for the office of Director. Also Ms. Radhika S. Minocha has been nominated as a Director of the Company by ICICI Ltd. in place of Mr. S. P. Nagarkatte. Your Directors have placed on record their appreciation for the guidance given by Mr. Nagarkatte during his tenure.

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 the state-of-the art modern 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, Daewoo Heavy Industries, Korea and Daewoo Technical Centres worldwide 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.6089.21 Lacs
ii. Recurring	Rs. 384.50 Lacs
iii. Total	Rs.6473.71 Lacs

iv. Total R&D expenditure as a percentage of total turnover	14.65%
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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 products.

- 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, Daewoo Heavy Industries, 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, 1998, 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, District Administration, 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
New Delhi
September 02, 1998

S.G. AWASTHI
Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Statement of particulars under section 217(2A) of the Companies Act, 1956 and the Companies (particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended March 31, 1998.

S. No.	Name	Designation & Nature of duties	Remuneration	Qualification	Experience	Date of Commencement	Age (Yrs)	Particulars of last employment	Name of the employer
A. Employed for full financial year and were in receipt of remuneration at the rate which is not less than Rs.300000 per annum									
1	Aggarwal, A.K.	Sr.Manager	422582	M.Com, DBM	18	01.02.85	40	Asst.Executive	Hindustan Thompson Associates Ltd.
2	Amitabh, Shubendu	Sr.Manager	361412	M.A., L.L.B.	14	01.11.95	34	Principal Exec.	DCM International
3	Anand, Y.K.	Sr.Manager	422541	BA., L.L.B.	36	19.08.85	56	Store Officer	Escorts Ltd.
4	Anil Kumar	Manager	343786	B.E.	10	01.12.95	33	Asst. Manager	BEML
5	Anil Mediratta	Manager	341532	B. Com., MBA	13	01.10.96	36	Regl. Sales Mgr.	Birla Yamaha
6	Awasthi, S.G. *	Managing Director	1001250	B.Sc.,B.E.(Mech.)	32	01.06.84	55	Dy.Divn Manager	TELCO Ltd.
7	Bahng, M.S. *	Dy.Managing Director	750250	Graduate	23	27.10.94	47	Director	Daewoo Corporation
8	Banerjee, Ranjan	Sr.General Manager	768836	B.Sc.Engg (Mech)	32	02.12.95	53	General Manager	Escorts Ancillaries Ltd.
9	Bawa, Sunil Singh	Manager	339674	B. Com, DMM.	21	25.11.85	40	Excise Officer	Clutch Auto Ltd.
10	Bhatnagar, A.K.	Sr.Manager	316654	L.L.B.	23	29.08.96	47	Chief Officer	Bank of India
11	Bhatnagar N.P.	Manager	333619	Dip. (Mech)	14	12.10.84	35	Jr. Engineer	Graubrakes Ltd.
12	Bose, Arun	Sr.Manager	514023	B.Sc.(Engg)	22	01.07.96	47	Sr.Manager	Noida Power Co.
13	Chon, S.B.*	Director	926200	Graduate	16	16.03.97	42	General Manager	Daewoo Motor Co.Ltd.
14	Dubey, S.K.	Sr.Manager	391246	B.E.(Mech.)	20	05.02.96	42	Manager	Escorts Ltd.
15	Ghosh, S.P.	Manager	337229	Dip. (Mech.)	27	13.10.87	48	Asst. Engineer	Escorts Ltd.
16	Girdhar, Anil Kumar	Sr.Manager	408069	Dip.(Auto Engg.)	19	18.07.84	41	Service Engineer	Lucas India
17	Govindappa, R.	Manager	405440	M. Tech.	16	27.05.96	41	Asst. Manager	TELCO Ltd.
18	Gupta Abhay	Manager	328711	B. Tech., DMM	14	01.01.91	35	Sr. Engineer	Jay Engg. Works
19	Gupta, Neeraj	Manager	378828	B.E.	12	16.03.96	34	Dy. Manager	ISGEC
20	Gupta, R. K.	Manager	343783	B.Sc (Civil Eng.)	13	27.12.95	36	Proj. Manager	R. Aggarwal Assts.
21	Han, C.H.*	General Manager	863200	Graduate	18	22.04.95	44	Dy.General Manager	Daewoo Corporation
22	Hemmad., Dipak Rao	Sr.Manager	390206	L.L.B., Dip.Corp law	19	16.04.85	44	Officer	DCM Ltd.
23	Hwang, In Cheol*	General Manager	736000	Graduate	16	24.02.97	39	Sr.Manager	Daewoo Corporation
24	Hyun, K.D.*	General Manager	563200	B.E.(Electrical)	28	27.03.96	53	Dy.General Manager	Daewoo Construction Co.Ltd.
25	Jain, Jai Sharan	Asst.General Mgr.	356676	B.Sc.Engg.	27	11.12.95	50	Dept. Manager	Escorts Ltd.
26	Kalia, Sunil Kumar	Manager	334231	Dip. (Mech.)	12	08.02.86	42	Asst. Engineer	Auto Tractors.
27	Kapri, Brijesh	Sr.Manager	433455	Dip.(Mech.Engg.)	24	01.10.84	47	Sr.Manager	Escorts Ltd.
28	Kaul, Ahinsa	Sr.Manager	360348	B.E.	27	08.11.95	49	Tech.Advisor	Baskar Rana Elect
29	Khanna, R.C.	Sr.Manager	415294	B.E.	25	05.10.94	48	General Manager	Rasandik Engg. India Ltd.
30	Kim, C.J.*	General Manager	563200	Graduate	20	18.08.96	50	Asst.General Manager	Daewoo Corporation
31	Kim, D.K.*	Dy.Managing Director	963200	Graduate	26	14.02.97	54	Dy.Managing Director	Daewoo Corporation
32	Kim, E.C.*	General Manager	720700	Graduate	15	27.05.95	41	Dy.General Manager	Daewoo Motor Co.Ltd.
33	Kim, I.S.*	General Manager	773200	Graduate	18	20.05.95	42	Dy.General Manager	Daewoo Motor Co.Ltd.
34	Kim, S.J.*	Vice Chairman	614250	Graduate	30	19.02.97	53	Vice President	Daewoo Motor Co.Ltd.
35	Kim, Y.B.*	Asst.General Mgr.	463200	B.E.	14	31.03.97	39	Sr.Manager	Daewoo Motor Co.Ltd.
36	Kim, Y.C.*	Dy.Managing Director	841100	Graduate, MBA	26	01.04.96	49	President	LEP INC.Massachusetts (USA)
37	Kim, Y.J.*	General Manager	683200	Graduate	10	24.02.97	37	Sr.Manager	Daewoo Corporation
38	Ko, U.I.*	Dy.Managing Director	732850	B.E.	30	24.06.96	54	Managing Director	Daewoo Motor Co.Ltd.