

ANNUAL REPORT 1998-99

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DESIGN

AUTO SYSTEMS LIMITED

DESIGN AUTO SYSTEMS LTD.

BOARD OF DIRECTORS	: SARVESH GARG Chairman & Managing Director RAMESH K. PATODIA R.S. TARE Tech. Director RITA S. GARG JASBIR S. MAGO
AUDITORS	: MAHESHWARI & GUPTA Chartered Accountants Indore (M.P.)
BANKERS	: BANK OF BARODA A.B. Road, Indore (M.P.) THE KARUR VYSYA BANK LTD. A.B. Road, Indore (M.P.) BANK OF BAHRAIN & KUWAIT B.S.C. Jolly Maker Chambers-II Gr. Floor-225, Nariman Point, Mumbai-400021
REGISTERED OFFICE	: Plot No. 58, Sector No. 1, Pithampur Distt. Dhar (M.P.)
UNIT I	: Plot No. 58, Sector No. 1, Pithampur Distt. Dhar (M.P.)
UNIT II	: Plot No. 25, Sector No. 1, Pithampur Distt. Dhar (M.P.)
REGISTRAR & TRANSFER AGENT	: ANKIT CONSULTANCY PVT. LTD. Alankar Point, Geeta Bhavan Chauraha, Indore (M.P.)

**DESIGN AUTO SYSTEMS LTD.****NOTICE**

Notice is hereby given that the 12th Annual General Meeting of the company will be held on 27th September, 1999 at 11.00 am at the Registered Office of the Company at Plot No. 58, Sector-1, Industrial Area, Pithampur, Distt: Dhar (M.P.) to transact the followign business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Profit and Loss account for the year ended 31st March, 1999 and the Balance Sheet as at that date together with the Auditors and Directors reports thereon.
2. To appoint a Director in place of Smt. Rita Garg who retire by rotation and being eligible offer herself for reappointment.
3. To appoint Auditors to hold office upto the conclusion of the next Annual General Meeting and fix their remuneration. The retiring auditors M/s. Maheshwari & Gupta, Chartered Accountants, Indore are eligible for reappointment.

SPECIAL BUSINESS

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

Resolved that pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and in accordance with the guidelines issued by Securities and Exchange Board of India (SEBI) and clarification thereon issued from time to time and in accordance with the Memorandum & Articles of Association of the company and subject to such terms conditions as may be determined by the Board of Directors of the Company ("the Board", which term shall be deemed to include any committee of Directors) and subject to approval of Reserve Bank of India and also to such approvals, consents, permissions or sanctions of the appropriate authorities/Insitutions that may be required and agreed to by the Board, the consent of the company be and is hereby accorded to the Board to issue 11,00,000 equity shares of Rs. 10/- each, in the Equity share capital of the company for cash at premium of Rs. 3/- per share aggregating to Rs. 1.10 Crore (Rs. One Crore Ten Lacs only) to the promoters and associates whether or not they are member of the company on preferential allotment basis to the extent and in one or more traches and in the manner as may be decided by the Board on the behalf.

Resolved further that the equity shares to be issued and allotted by the company shall rank pari-passu in all respects with the existing equity shares of the company except that the Dividend thereon shall be paid pro-rata from the date of allotment of such new equity shares.

Resolved further that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such things and acts as may be necessary and expedient and to settle any matter that may be arise in connection therewith.

Resolved further that the board be and is hereby authorised to accept any modification(s) to or to modify the terms of issue of the said new equity shares including the pricing thereof, subject to provisions of the Companies Act, 1956 and SEBI guidelines/Regulations, without being required to seek any further consent or approval of the company in General Meeting.

By order of the board

Place : Indore

Date : 30.7.99

Chairman

DESIGN AUTO SYSTEMS LTD.**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 the proxy need not be a member of the company. The instrument appointing proxy should be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.
2. Members/Proxies should bring the attendance slip, duly filled in for attending the meeting.
3. An explanatory statement pursuant to Section 173(2) of the Companies Act 1956 in respect of item No. 4 of the above notice is annexed thereto.
4. Register to Members and Share transfer books of the company will remain closed from 24th September 1999 to 27th September 1999 (Both days inclusive)
5. Members/Proxies attending the meeting should bring their copy of the annual report for reference at the meeting.
6. Members are requested to notify the company immediately the change of address, if any, and also write to the company immediately about corrections, if any, in name, address and pin code.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956:
ITEM NO. 4**

Your company proposes to expand its retailing activities which will entail additional capital expenditure. This apart the company also proposes to restructure its debts and finance and to meet the part of project cost company has negotiated with financial institution i.e. I.D.B.I. & IIBI for a term loan of Rs. 10.00 crores and the said financial institution stipulated in the terms that promoters shall contribute to the tune of Rs. 1.10 crore in equity capital of the company, hence the company propose to issue the equity shares on preferential basis to the the promoters and associates.

The promoters of your company presently hold an aggregate of 39.91% of subscribed equity capital of Rs. 6,22,50,000. Crores which after the proposed preferential allotment of all 11 lakh equity shares of aforesaid, would enhance the promoters holding to 48.94% of the subscribed equity capital of Rs. 7,32,50,000/- crores. The preferential issue and allotment of equity shares is proposed to be made for cash at premium of Rs. 3/- value of Rs. 13/- each, which pricing is higher than that arrived at pursuant to the guidelines issued by SEBI in this regard. The proposed preferential allotment to any of the promoters as aforesaid would not result in any change in the control over your Company.

Under the proposed special resolutions consent of the shareholders is being sought, pursuant to Section 81 and other applicable provisions of the Companies Act, 1956, to offer the proposed issue of share capital on preferential basis, as aforesaid.

The Directors therefore recommend the resolution for your approval.

The Directors of your company may be deemed to be concerned or interested to the extent that the preferential allotment of equity shares is made to such promoters and companies in which they are Directors.

By order of the Board of Directors

SARVESH GARG
(Managing Director)



DESIGN AUTO SYSTEMS LTD.

DIRECTORS' REPORT

Dear Members,

Your Director have pleasure in presenting the 12th Annual Report of the Business and operations of the Company alongwith the Audited Statement of Accounts for the Financial Year Ended on 31st March, 1999.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	1998-99	1997-98
Sales & Other Receipts	4400	3605
Operating Profit (PBIDT)	641	408
Less : Interest	371	188
Depreciation	69	40
Provision for Tax	21	19
Surplus for the year	180	161

OPERATIONS

The auto components and Lamp division both have performed well in the year 1998-99 and as a result, the turnover of your company has jumped to Rs. 4385 lacs which is 22% higher as compared to previous year.

The directors have pleasure to inform you that the operations of automotive lamp division have been fully streamlined during the year and it has started supplies to leading OEM vendors. Your company has started manufacturing of new auto products, the production of the same will increase substantially in the coming years.

PERFORMANCE

Your Company has recorded profit (PBT) of 12% higher as compared to previous year. The streamlining of operations of lamp division and manufacturing of new auto products will improve the turnover and operating profits of your company in the next year. Your company has charted a growth plan for establishing its presence as a leading player in various automotive products within the next three years period.

DIVIDEND

With a view to strengthen the financial base further, the Director have not recommended any Dividend for the Current Year.

DIRECTORS

Smt. Rita Garg, Director of the Company retire by rotation from Board at the ensuing Annual General Meeting and are eligible for re-appointment.

PARTICULAR OF EMPLOYEES

Information in accordance with Sub Section (2A) of Section 217 of the Companies Act, 1956, is given in Annexure forming part of this report.

DEPOSITS

The Company has not invited or accepted any deposits from Public falling under the provision of Section 58 A of the Companies Act, 1956, during the year.

AUDITORS

The Auditors M/s. Maheshwari & Gupta, Chartered Accountants, Indore, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**DESIGN AUTO SYSTEMS LTD.****OTHER INFORMATION****A. CONSERVATION OF ENERGY**

a) Electricity		
Purchase units	-	632877
Total Amount	-	Rs. 3063796
Cost/Unit	-	Rs. 4.84
b) Own Generation Units	-	162366
Total Amount	-	Rs. 868658
Cost/Unit	-	Rs. 5.35
c) Coal	-	—
d) Furnance Oil	-	—

The Company Manufacture various items of Auto Components, hence it is not possible to indicate product wise consumption.

B. TECHNOLOGY ABSORPTION

For the Companies existing product there is no technical collobration either indigenous or imported.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange Earning	-	Rs.399,210
Foreign Exchange Outgo	-	Rs.409,997,32

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation to the Shareholders, Financial Institutions, Banks and various Departments of Central and State Government for their continued support and confidence reposed in the Company.

for & on behalf of the Board

Place : Indore

Date : 30th July, 1999

Sarvesh Garg

(Managing Director)

ANNEXURE TO DIRECTORS REPORT

Particulars of Employees as per Section 217 (2A) of the Companies Act, 1956.

Name/ Age	Qualifications	Experiences	Date of Employment	Designation	Gross Remuneration	Last Employment held
Sarvesh Garg (36)	B.Sc.	12 Years	01.01.94	Managing Director	496,619	-

NOTES :

1. Remuneration includes Salary & Contribution to P.F.
2. The appointment is contractual.