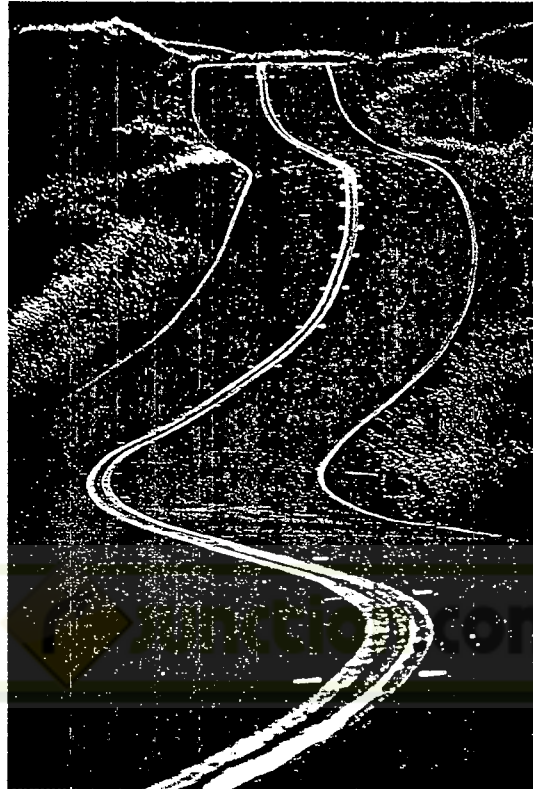


Annual Report 1996-97

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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
Y8	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



Path to Progress



PREMIER AUTO ELECTRIC LIMITED



BOARD OF DIRECTORS



Shri Jyotindra M. Vakil
Chairman



Shri Arvind R. Doshi
Vice Chairman



Shri Vinod L. Doshi
Director



Shri Maitreya Doshi
Director



Shri Raman Patel
Director



Shri Arun Jaswantlal
Director



Shri S. G. Subrahmanyam
Director



Shri M. P. Poncha
Director



Shri R. N. Somai
Managing Director



PREMIER AUTO ELECTRIC LIMITED

BOARD OF DIRECTORS

Shri Jyotindra M. Vakil	Chairman
Shri Arvind R. Doshi	Vice Chairman
Shri Vinod L. Doshi	
Shri Maitreya Doshi	
Shri Raman Patel	
Shri Arun Jaswantlal	
Shri S. G. Subrahmanyam	
Shri M. P. Poncha	
Shri R. N. Somai	Managing Director

COMPANY SECRETARY

Shri Rajiv Chandan

BANKERS

State Bank of India
Bank of Baroda
Punjab & Sind Bank
Union Bank of India

AUDITORS

Messrs K. S. Aiyar & Co.
Chartered Accountants

SOLICITORS & ADVOCATES

Messrs Daphtary Ferreira & Divan
Messrs Wadia Ghandy & Co.
Messrs Matubhai Jamietram

SHARE TRANSFER AGENTS

MCS Limited
Sri Venkatesh Bhavan
Plot No. 27, Road No. 11
MIDC Area, Andheri (East)
Mumbai - 400 093
Phone: 8215235

REGISTERED OFFICE

A-Block, Shivsagar Estates
Worli, Mumbai - 400 018

FACTORY

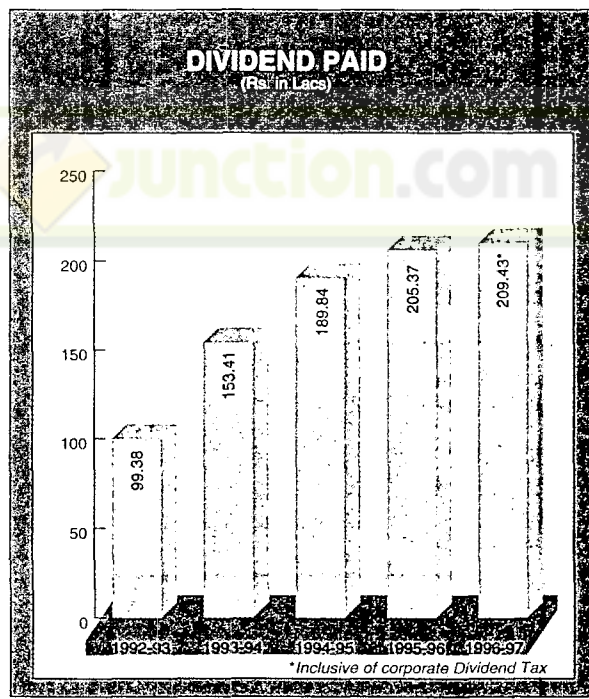
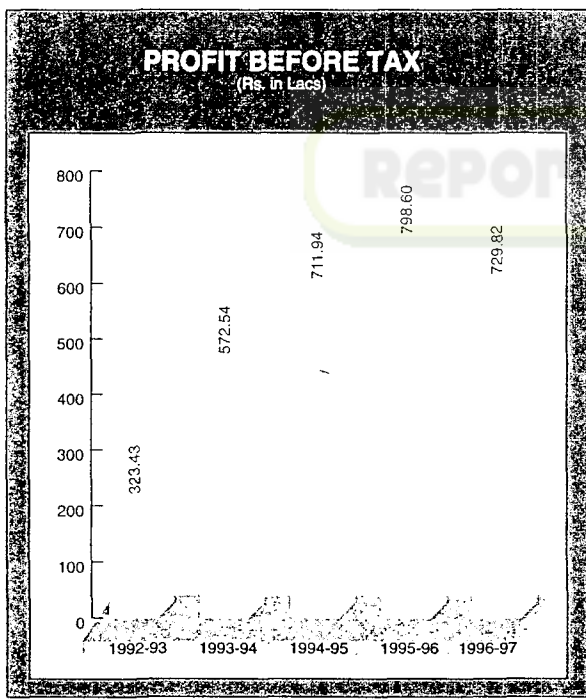
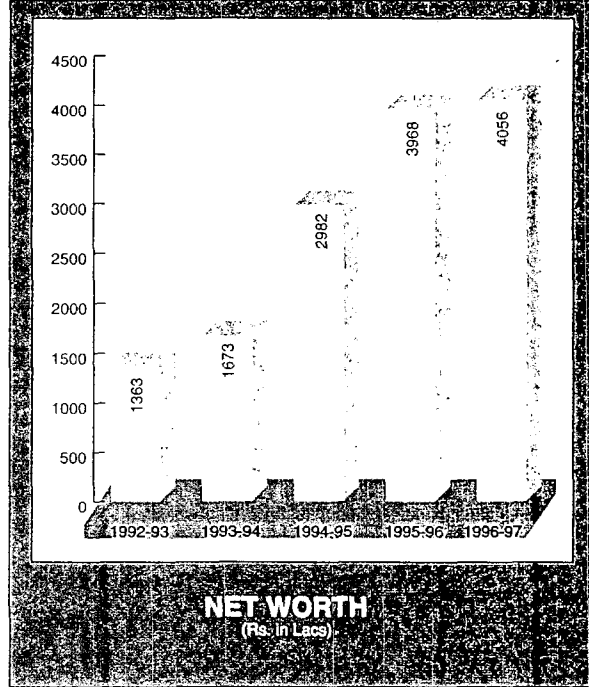
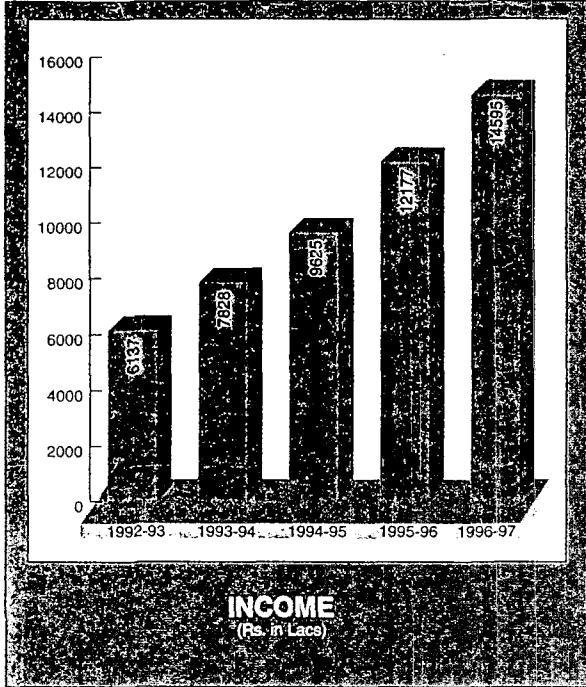
38 (NP) Industrial Estate
Ambattur
Madras - 600 098.

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47th ANNUAL GENERAL MEETING

On Tuesday, 9th September, 1997 at 10.30 a.m.
at M.C. Ghia Hall, Bhogilal Hargovindas Bldg., 2nd Floor,
18/20, K. Dubhash Marg, Mumbai 400 001.



**NOTICE**

NOTICE is hereby given that the Forty Seventh Annual General Meeting of the Members of PREMIER AUTO ELECTRIC LIMITED will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20 K. Dubhash Marg, Mumbai 400 001, on Tuesday, the 9th September, 1997 at 10.30 a.m., to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 1997 and the Balance Sheet as at that date and the Report of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Arun Jaswantlal who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri S. G. Subrahmanyam who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Raman Patel who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
7. To authorise the Board of Directors to appoint Auditors to audit the accounts of the Branches and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT the Board of Directors be and is hereby authorised to appoint the Company’s Auditors or any person or persons qualified for appointment as Auditor or Auditors of the Company under Section 226 of the Companies Act, 1956, to audit the accounts of the branch offices of the Company in India for the financial year ending on 31st March, 1998 and to fix the terms and conditions on which they shall carry out the audit.”

AS SPECIAL BUSINESS

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Section 269 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals/sanctions as may be necessary, the Company hereby accords its consent and approval to the re-designation of Shri R. N. Somai as “Managing Director” by the Board of Directors for the unexpired period of his tenure from 10th March, 1997 to 31st May, 1999.

“RESOLVED FURTHER THAT the draft Supplemental Agreement inter-alia containing the variation of terms and conditions and placed before this meeting and initialled by the Chairman for the purpose of identification be and is hereby approved and the Board of Directors of the Company be


PREMIER AUTO ELECTRIC LIMITED

and is hereby authorised to enter into a Supplemental Agreement with Shri R. N. Somai, Managing Director, as per the draft Supplemental Agreement placed before the meeting with such modifications as may be agreed to and acceptable to the Board of Directors and Shri R. N. Somai, Managing Director."

"RESOLVED FURTHER THAT, the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

By Order of the Board of Directors

RAJIV CHANDAN
COMPANY SECRETARY

Registered Office :

A-Block, Shivsagar Estates,
Worli.
Mumbai 400 018.
Dated : June 26, 1997.

NOTES

- (A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THIS ANNUAL GENERAL MEETING.
- (B) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 8 set out above is annexed hereto.
- (C) The Register of Members and Share Transfer books of the Company will be closed from Friday the 22nd Aug. 1997 to Tuesday 9th Sept. 1997 (both days inclusive).
- (D) The dividend, if approved at the meeting, will be payable to those members whose names appear on the Register of Members on 9th Sept. 1997.
- (E) Members are requested to notify any change in their addresses to the Company's share transfer agents viz. M/s. MCS Limited, Plot No. 27, Road No. 11, MIDC Area, Andheri East, Mumbai 400 093.
- (F) Pursuant to Section 205(A) of the Companies Act, 1956 all unclaimed dividend upto the Financial Year ended 31st March, 1993 have been transferred to the General Revenue Account of the Central



Government. Members who have not claimed or collected their dividend for the said financial year may claim their dividend from the Registrar of Companies, Maharashtra by submitting an application in the prescribed form.

(G) The unclaimed dividend for the following financial years will be transferred to the General Revenue Account of the Central Government on the date specified against the year :—

31st March, 1994 — 11th September, 1997

31st March, 1995 — 14th September, 1998

31st March, 1996 — 27th September, 1999

Shareholders who have not encashed the dividend warrants for the above years are therefore requested to immediately forward the same to the Company to facilitate payment.

(H) Members are requested to bring their Annual Report along with them.

ATTENTION SHAREHOLDERS !!!

With a view to provide protection against fraudulent encashment of dividend warrants, the members were requested in the past to provide their bank account numbers, Names and addresses of the bank, branches to enable the Company to incorporate the said details in the dividend warrants. Those members who have not provided such information are once again requested to provide these details quoting their folio numbers so as to reach the Office of the Registrars and Transfer Agents latest by 25th August, 1997 to enable them to incorporate the same in the dividend warrants. Members will appreciate that the Company will not be responsible for any loss arising out of such fraudulent encashment of dividend warrants.



PREMIER AUTO ELECTRIC LIMITED

ANNEXURE TO NOTICE

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

Item No. 8

The Members of the Company at the 44th Annual General Meeting held on 25th July, 1994 had approved the appointment of Shri R. N. Somai, as President & Executive Director for a period of 5 years with effect from 1st June, 1994 on the remuneration as detailed in the explanatory statement to the Resolution No. 9 of the notice of the said Annual General Meeting.

The Members of the Company at the 45th Annual General Meeting held on 17th July, 1995 and the 46th Annual General Meeting held on 10th August, 1996 had approved the revision in the remuneration and perquisites payable to Shri R. N. Somai for the remainder of his tenure i.e. upto 31st May, 1999 as detailed in the explanatory statement to the said notices of the said Meetings.

The Board of the Directors of the Company to more meaningfully describe the scope and responsibilities of the present duties of Shri R. N. Somai at their meeting held on 7th March, 1997 redesignated Shri R. N. Somai, as Managing Director of the Company with effect from 10th March, 1997 for the remainder of his tenure upto 31st May, 1999. on the same terms and conditions as regards remuneration and emoluments.

The other terms and conditions of the appointment approved by the Shareholders at the 45th and 46th Annual General Meetings of the Company held on 17th July, 1995 and 10th August, 1996 respectively will remain unchanged.

Your Directors recommend the resolution set in Item No. 8 for redesignation of Shri R. N. Somai, as Managing Director for your approval.

The draft Supplemental Agreement between the Company and Shri R. N. Somai, Managing Director will be available for inspection to any Member of the Company at the Registered & Corporate Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company upto and including the date of the Annual General Meeting.

None of the Directors of the Company except Shri R. N. Somai, Managing Director is concerned or interested in this resolution.

By Order of the Board of Directors

RAJIV CHANDAN
COMPANY SECRETARY

Registered Office :

A-Block, Shivsagar Estates,
Worli,
Mumbai 400 018.
Dated : June 26, 1997.



CHAIRMAN'S STATEMENT

Dear Members,

The financial year 1996-97 witnessed turbulent political and financial situations. The Coalition Government at the centre had to undergo change in the leadership. On the financial front, collapse of some of the NBFC's and difficulties faced by others is a matter known to everyone. While 1996-97 was the third consecutive year of 7% economic growth, it was also marked by industrial slow down and infrastructural bottlenecks.

The growth rate in the automobile industry with which we are directly linked has come down in 1996-97 to 16% compared to 33% in the previous year. In the last quarter of financial year 1996-97 growth in sales of number of vehicles has come down to only 9%. It is feared that the current financial year 1997-98 atleast in first few months may not see any growth. During this period a number of new vehicles and component manufacturers have come on the scene and many have increased capacities substantially. On one hand this signifies opportunities for us to take on more products for marketing but on the other hand we foresee a severe competition particularly for our existing product lines.

For, achieving 8% GDP growth, the infrastructure sector particularly power, roads, ports etc. need very special attention. Infrastructural bottlenecks will continue to trouble the economy, since no turnaround is visible in the near future.

I am however happy to inform you that your Company has achieved a growth of 23% in turnover in the marketing and distribution of spare parts which is one of the highest in the organised sector.

The single most important asset your Company has is the people. We continue to make investment in this area to develop personnel to shoulder the challenging responsibilities in different areas of business.

Before I conclude, I would like to mention that it has been a very satisfying experience of having made profits and paid dividend during the long tenure of my chairmanship of the Company. The falling market price of the shares of the Company is mainly due to uncertainties and market conditions. However, the management stands committed to the objective of enhancement of shareholders wealth. I would like to take this opportunity to thank you and all our valued shareholders for readily providing excellent support to me over the years. I am sure you will continue to extend the same co-operation in the remaining years.

JYOTINDRA M. VAKIL
CHAIRMAN



DIRECTORS' REPORT

To The Members:

Your Directors have pleasure in presenting their Forty Seventh Annual Report together with the Audited Statement of Accounts for the year ended March 31, 1997.

1. FINANCIAL RESULTS

	(Rs. in lacs) Current Year ended 31.3.1997	(Rs. in lacs) Previous Year ended 31.3.1996
Profit before depreciation & taxes	1150.54	1274.43
Less: Depreciation	420.72	475.83
Profit before Tax	729.82	798.60
Less: Provision for tax/wealth tax	445.48	138.93
Profit after tax	284.34	659.67
Add: Prior Years' Item	—	(10.54)
Add: Debenture redemption reserve w/back	—	24.99
Add: Surplus of previous year	18.61	19.86
Funds available for appropriation	302.95	693.80
Which the Directors have appropriated as under:		
Proposed dividend	190.39	205.37
Corporate Tax on Dividend	19.04	—
Transfer to General Reserve	40.00	470.00
Balance carried forward	53.52	18.61
	<u>302.95</u>	<u>693.98</u>

2. DIVIDEND

Your Directors recommend for your approval payment of dividend for the year ended 31st March, 1997 of Rs. 2.50 per Equity Share of Rs. 10/- each on 63,46,400 Equity Shares for the full year and on 31,73,200 Equity Shares on *pro-rata* basis.

The Finance Act 1997 provides that no deduction shall be made in respect of any dividends declared, distributed or paid as the case may be, on or after the 1st day of June, 1997. Further it also provides that such dividend shall be charged to the additional income tax at the rate of ten percent and the incident of the said tax will be borne by the Company and cannot be passed on to the Shareholders of the Company.

In view of the above, the Shareholder of the Company will have the benefit of receiving tax free dividends. However, the Company will have to pay an additional tax of ten percent on the dividend declared at the Annual General Meeting. The appropriation for the additional tax has been reflected in the accounts for the year ended 31st March, 1997.