



ADITYA GEARS LIMITED

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**Annual Report
&
Accounts 1998-99**

ADITYA GEARS LIMITED

BOARD OF DIRECTORS

ASHOK KUMAR HARLALKA,
Chairman & Managing Director
MADAN LAL HARLALKA
SUNITA HARLALKA
PRADEEP KUMAR SARAWAGI

BANKERS

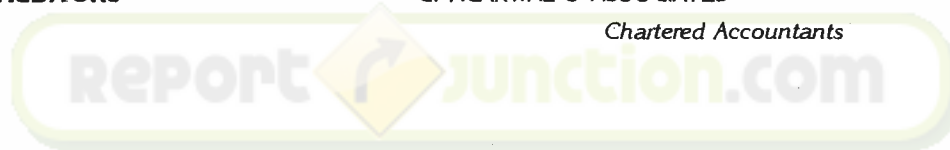
ORIENTAL BANK OF COMMERCE
BANK OF INDIA

REGISTRARS

MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, 2ND FLOOR
CALCUTTA - 700 001

AUDITORS

G. AGARWAL & ASSOCIATES
Chartered Accountants



REGISTERED OFFICE

21, PRINCEP STREET
1ST FLOOR
CALCUTTA - 700 072

FACTORY

PLOT NO. A-1164, PHASE IV,
RIICO INDUSTRIAL AREA
BHIWADI, ALWAR (RAJASTHAN)

ADITYA GEARS LIMITED

NOTICE :

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of the Members of ADITYA GEARS LIMITED will be held at 21, Princep Street, Calcutta - 700 072 on Monday, the 27th day of September, 1999 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 1999 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Pradeep Kr. Sarawagi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

To consider and, if thought fit, to pass with or without modifications, the following Resolutions :

4. As a Special Resolution

RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification and re-enactment thereof, for the time being in force) the Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below :

- i) The following new Articles 48(A), 48(B), 48(C) and 48(D) be inserted after Article 48 :-

"48(A)" For the purpose of Articles 48(A) and 48(B) appearing hereunder (a) 'The Depositories Act' means Depositories Act, 1996, and includes any statutory modifications or re-enactment thereof for the time being in force, and (b) 'Depository' shall have the meaning assigned thereto by the Depositories Act."

"48(B)" Notwithstanding anything contained in these Articles, the Company shall have powers to dematerialise its shares, debentures and other securities, to rematerialise the same and to offer and issue new shares, debentures or other securities in a dematerialised form in accordance with the provisions of the Depositories Act. The rights and obligations of the concerned persons with regard to the shares, debentures and other securities in the dematerialised form, and all matter in connection therewith and/or incidental thereto shall be governed by the provisions of the Depositories Act and relevant provisions of the Act."

"48(C)" All Securities of the company held by a Depository shall be dematerialised and be in fungible form. No Certificate shall be issued for the securities held by the Depository.

"48(D)" Every person subscribing to or holding shares, debentures and other securities of the Company will have the option to receive certificates therefor or to hold the same with a Depository in dematerialised form. A beneficial owner i.e. a person whose name is recorded in a Depository in respect of the securities, can at any time opt out of the Depository, if permitted by law, and in that case the Company shall, in the manner and within the prescribed time limit, issue the required certificates in respect of the said securities to the beneficial owner."

ADITYA GEARS LIMITED**5. VOLUNTARY DELISTING OF THE COMPANY'S SECURITIES FROM STOCK EXCHANGES AHMEDABAD AND JAIPUR.**

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

"RESOLVED that subject to the provisions of the Companies Act, 1956 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company, consent is hereby accorded to the Board to delist its Ordinary Shares and all other securities from The Stock Exchange Ahmedabad and Jaipur Stock Exchange Ltd."

Calcutta
The 28th day of June, 1999

ASHOK KUMAR HARLALKA
Chairman cum
Managing Director

IMPORTANT NOTES :

1. The Register of Members of the Company will remain closed from September 23, 1999 to September 27, 1999 (both day inclusive).
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIM. SUCH 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. Members are advised to send all correspondence/documents only to the share department at the Registered office of the Company. The Company does not take any liability or responsibility whatsoever for correspondence / documents sent to any other address.
4. Entry to the Auditorium will be strictly on production of Attendance Slip.
5. As a measure of economy, Members/proxies are requested to bring their copy of the Annual Report at the meeting. No Annual Report will be distributed at the meeting.
6. Members are requested to send their queries, if any, on the workings of the Company at least 7 days before the meeting so as to enable the management to workout on the queries and give suitable answer to the extent possible, at the meeting.

ADITYA GEARS LIMITED**DIRECTORS REPORT :**

To
The Members
ADITYA GEARS LTD.

Your Directors have great pleasure in presenting the Fourth Annual Report of Your Company along with the Audited Accounts for the Financial Year ended 31st March, 1999.

FINANCIAL RESULTS

We are glad to inform you that your company has launched the product in the market and got the due recognition of product quality. Your company has achieved a turnover of 100.20 Lacs in comparison to Rs. 66.93 lacs of last year. A net growth in turnover is 33.27 lacs (Approx.) The Board of Directors are confident that your company will deliver better results in the coming financial year i.e. 1999-2000 and the company would be able to enlarge its scope of activities. Though your company has suffered a loss during the year, the same is not reflective of the operational capacity of the Company as the capacity utilisation will improve in the coming period.

The financial results are briefly indicated below :

PARTICULARS	year ended 31. 03. 1999 (Rs. in Lacs)
Sales & operating Income	100.20
Other Income	0.05
Profit before Interest, Depreciation and Taxation	1.88
Interest & Finance charges	29.73
Gross Profit after Interest but before Depreciation and Taxation	(27.85)
Depreciation	17.13
Provision for Taxation	NIL
Profit after Tax	(44.98)

OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK

The Directors are glad to inform you that the Company has commenced marketing the product and is surely moving towards utilizing the installed capacity in the effective manner. The Automobile Components Industry depends on the Automobile Vehicle manufacturer and continuous slump in demand for Auto Components from leading Vehicle manufacturer do effect the demand/supply equation in the replacement market. Currently the over

ADITYA GEARS LIMITED

supplied replacement market has been badly hit by the recession in the economy. The Company products have got a very difficult entry time in the market and are facing the trouble in capacity utilisation. We foresee that the economy have started showing sign of improvement and will come out of the recession in the current financial year. The Government has announced series of measures to support the infrastructure of the Country and desired allocation in this direction, will take place shortly which will definitely improve the overall market scenario. We hope to also cash on the impetus provided by the Government in form of large outlays for Road Development and making finance available to Commercial Vehicle operator at cheaper rate. Your Company stands to benefit from the opportunity which are going to emerge as a result of plans of major world class players to start manufacturing base in India. Your Company plans to supply its high quality auto components to these World class players as well. We hope to take action of these factors and bring a better result to you in the future.

DIVIDEND

In view to the above financial results, your Directors did not recommend any dividend for the year under review.

EXPORTS

The Company is in the process of identifying markets for its products and hopes to get good response.

FINANCE

The Company performance and progress has been satisfactory considering the fact that this has been only the second year of operations and was also passing through recession hit market.

We are sure, we will continue to enjoy the support of our Bankers and satisfy them with the performance.

CONSERVATION OF ENERGY

The thrust on energy conservation continues and necessary measures for optimization of energy consumption have been taken.

PARTICULARS OF EMPLOYEES

None of the employees is covered under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

Mr. Pradeep Kr. Sarawagi retire by rotation and, being eligible, offers himself for re-appointment.

AUDITORS

M/s. G. Agarwal & Associates, the retiring Auditors, have expressed their willingness for re-appointment.