



**ADITYA GEARS LTD.**



**Annual Report  
&  
Accounts 2002-2003**

**ADITYA GEARS LTD.**

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**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  
KOLKATA - 700 001

**AUDITORS**

G. AGARWAL & ASSOCIATES  
*Chartered Accountants*

**REGISTERED OFFICE**

21, PRINCEP STREET  
1ST FLOOR  
KOLKATA - 700 072

**FACTORY**

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

**ADITYA GEARS LTD.**

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**NOTICE**

NOTICE is hereby given that the Eighth Annual General Meeting of the members of ADITYA GEARS LTD. will be held at 21, Princep Street, Kolkata - 700 072 on Friday, the 26th day of September, 2003 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March, 2003 and the Reports of the Auditors and Directors thereon.
2. To appoint a director in place of Smt. Sunita Harlalka, who retires by rotation and being eligible, offers himself for re-appointment as Director of the Company.
3. To appoint Auditors and to fix their remuneration.
4. To transact such other business as may be transacted at the Annual General Meeting.

For and on behalf of the Board

ASHOK KUMAR HARLALKA

*Chairman and  
Managing Director*

Place : Kolkata

The 12th day of August, 2003

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**IMPORTANT NOTES :**

1. The Register of Members of the Company will remain closed from September 22, 2003 to September 26, 2003 (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 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.

**DIRECTORS' REPORT**

To  
The Members  
ADITYA GEARS LTD.

Your Directors present the 8th Annual Report of your Company along with the Audited Statement of Accounts for the Financial Year ended March 31, 2003.

**FINANCIAL RESULTS**

The Financial Results are stated as under :

<b>PARTICULARS</b>	<b>Year Ended 31.03.2003 (Rs. in Lacs)</b>
Sales & Operating Income	.45
Other Income	NIL
Gross Loss before Interest, Depreciation and Taxation	(25.80)
Interest & Finance charges	NIL
Gross Loss after Interest but before Depreciation and Taxation	(25.80)
Depreciation	16.60
Provision for Taxation	NIL
Net Loss	(42.40)

**OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK**

The year 2002-03 continues to be under the recessionary pressure. The current year 2003-04 have responded positively for the vehicle manufacturer, which in turn will result for positive result for Auto Component Manufacturer as well.

We acknowledge and appreciate the confidence reposed on us by the shareholders through their support and understanding during these difficult years, which your Company faced. Looking ahead, while the challenges are immensed so are the opportunities. We will face the challenges and explore the opportunities.

We have taken steps to improve our Cash Flows by restructuring our borrowings. We are confident with the market improvement supported by Financial Restructuring, we will be able to resume our operations in the year 2003-04 which will yield positive results.

**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 for good response.

## **ADITYA GEARS LTD.**

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### **FINANCE**

The Company has undertaken steps to restructure the borrowings and are confident with the inflow of this Capital, the financial need of the Company will be taken care of.

### **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**

Smt. Sunita Harlalka, who retires by rotation and being eligible, offers himself for re-appointment as Director of the Company.

### **AUDITORS**

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

### **DIRECTOR'S RESPONSIBILITY STATEMENT :**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956 :

- a) That in the preparation of the Annual Accounts for the year ended 31st March, 2003, the applicable accounting standards have been followed ;
- b) That such accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2003 and of the profit of the Company for the year ;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- d) That the Annual Accounts for the year ended 31st March, 2003 have been prepared on a going concern basis.

### **ACKNOWLEDGEMENTS**

The Board of Directors expressed their sincere gratitude to its employees, suppliers, share holders, bankers and other government agencies for their continued support.

Place : Kolkata  
The 28th day of June, 2003

For and on behalf of the Board  
**ASHOK KUMAR HARLALKA**  
*Chairman and  
Managing Director*

**CORPORATE GOVERNANCE REPORT**

[Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges]

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's Philosophy on Code of Governance focuses on transparency, accountability, empowerment and ethical business conduct across all facets of its operations. The Company wishes to be a responsible partner acting with integrity towards its shareholders, customers, employees, the government and its business partners and wishes to grow along.

**2. BOARD OF DIRECTORS****Composition**

The Composition of the Board of Directors of the Company is as follows :

Name of Directors	Category	Attendance Particulars		Other Board representation Directorship #
		Board Meetings	Last AGM	
Sri Ashok Kumar Harlalka Chairman and M. D.	Executive	6	Yes	Nil
Sri Madan Lal Harlalka	Executive	5	Yes	Nil
Smt, Sunita Harlalka	Non-Executive	6	Yes	Nil
Sri Pradeep Kumar Sarawagi	Non-Executive	6	Yes	Nil

# Directorship in Private Limited Company is not considered.

Six Board Meetings were held during the financial year 2002-2003. They were held on 29th June, 2002, 31st July, 2002, 27th September, 2002, 31st October, 2002, 28th January, 2003 and 28th March, 2003. The maximum time gap between any two meetings was not more than four calendar months.

**3. AUDIT COMMITTEE**

The term of reference of this Committee cover the matter specified for Audit Committee under Clause 49 of the Listing Agreement.

**Composition**

The Audit Committee of the Company comprises two Directors. The Directors possess knowledge of the corporate finance and accounts.

The constitution of the Audit Committee is as follows :

1. Sri Pradeep Kumar Sarawagi : Chairman
2. Smt. Sunita Harlalka : Member

**Meetings and Attendance**

During the financial year ended 31st March, 2003, 4 Audit Committee Meetings were held and all the four meetings were attended by both the Directors.

**ADITYA GEARS LTD.****4. REMUNERATION COMMITTEE****Terms of Reference**

The Company has only one Managing Director on the Board, whose appointment and remuneration had been fixed in terms of resolution passed by the members. Further the other members on the Board are presently not even drawing the remuneration fixed due to the losses of the Company. In view of this, no Remuneration Committee being constituted now.

**Details of Remuneration / Sitting Fees paid to all Directors**

The remuneration / sitting fees payable to the Executive / Non-Executive Director for the year 2002-2003 are as under :

<u>Name of the Directors</u>	<u>Remuneration</u>	<u>Sitting Fees</u>	<u>Commission for the year</u>
1. Sri Ashok Kumar Harlalka	Rs. 60,000	—	—
2. Sri Madan Lal Harlalka	Rs. 30,000	—	—
3. Smt. Sunita Harlalka	—	Rs. 12,000	—
4. Sri Pradeep Kumar Sarawagi	—	Rs. 12,000	—

**5. SHARE HOLDERS COMMITTEE**

The Share Holders Committee / Investors Grievance Committee consisting of Sri Pradeep Kumar Sarawagi as Chairman and Smt. Sunita Harlalka as member of the Committee.

The Committee deals with various matters relating to the transmission of shares, issue of duplicate share certificates, approving the split and consolidation requests and other matters including Shareholder's Complaints and Grievances. There are no investor Grievance and pending Share Transfers as on 31st March, 2003.

**6. GENERAL BODY MEETINGS**

The detail of last three Annual General Meetings of the Company held are given below. All the meetings were held at the registered office of the Company at 21, Princep Street, Kolkata-700 072.

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>
1999-2000	28.09.2000	11.00 A.M.
2000-2001	28.09.2001	11.00 A.M.
2001-2002	27.09.2002	11.00 A.M.

No Special Resolution were passed by the Company through postal ballot at any of the above meetings.

**7. DISCLOSURE**

- The Company has not entered into any transactions of a material nature with the promoters, Directors or the Management, that may have potential conflict with the interest of the Company at large.
- The Company has neither made any non-compliance with any of the legal provisions of the law nor any penalty or stricture has been imposed by the Stock Exchange or SEBI or any other statutory authority, on any matter related to the capital markets, during the last three years. Listing Fees of Stock Exchanges is pending.

**ADITYA GEARS LTD.****8. MEANS OF COMMUNICATION**

Information like Quarterly Financial Results and Press Releases on significant developments in the Company that has been made available from time to time to the press, institutional investors and analysts has been submitted to the Stock exchange on which the Company's shares are listed. The Quarterly Financial Results are normally published in Financial Express and Kalantar.

**9. SHAREHOLDER INFORMATION**

**Registered Office** : 21, Princep Street, Kolkata - 700 072.

**Annual General Meeting** : Date and Time : September 26, 2003 at 11.00 A.M.

Venue : 21, Princep Street, Kolkata - 700 072.

**Financial Calander**

- ★ Financial reporting for the quarter ending June 30, 2003 : End July 2003.
- ★ Financial reporting for the quarter ending September 30, 2003 : End October 2003.
- ★ Financial reporting for the quarter ending December 31, 2003 : End January 2004.
- ★ Financial reporting for the quarter ending March 31, 2004 : End April 2004.

**Date of Book Closure** : 22nd September to 26th September, 2003 (both days inclusive).

**Dividend Payment Date** : Not Applicable

**Listing on Stock Exchanges** : Equity Shares of the Company are listed on Stock Exchanges at Kolkata, Mumbai Jaipur & Ahmedabad.

**Stock Code** : BSE, Mumbai - 531677

CSE, Kolkata - 11130

**Registrar and Share Transfer Agents**

Maheswari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata - 700 001

Telephone No. 2243 5029 / 5809 are Registrars and Share Transfer Agents.

**Share Transfer System**

The shares received for transfer in physical mode are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respect.

**Distribution of Shareholding as on March 31, 2003 :**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	%
Upto 5000	257	122900	2.2673
5001 - 10,000	1655	1552700	28.6450
10,001 - 20,000	37	49200	0.9077
20,001 - 30,000	36	91300	1.6843
30,001 - 40,000	5	19100	0.3524
40,001 - 50,000	11	54100	0.9981
50,001 - 1,00,000	53	451700	8.3331
1,00,001 and above	82	3079500	56.8121
<b>Grand Total</b>	<b>2136</b>	<b>5420500</b>	<b>100.0000</b>