



ADITYA GEARS LTD.



**Annual Report
&
Accounts
2003-2004**

ADITYA GEARS LTD.

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, MANGO 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 - 301019 (RAJASTHAN)

ADITYA GEARS LTD.**N O T I C E**

NOTICE is hereby given that the 9th Annual General Meeting of the Members of ADITYA GEARS LTD. will be held at 21, Princep Street, Kolkata - 700 072 on Friday, the 24th day of September, 2004 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Reports of the Auditors and Directors thereon,
2. To appoint a Director in place of Sri Pradeep Sarawagi, 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

Place : Kolkata
The 11th day of August 2004

Chairman and
Managing Director

IMPORTANT NOTES :

1. The Register of Members of the Company will remain closed from September 20, 2004 to September 24, 2004 (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.

ADITYA GEARS LTD.**DIRECTORS' REPORT**

To
The Members
ADITYA GEARS LTD.

Your Directors present the 9th Annual Report of your Company along with the Audited Statement of Accounts for the Financial year ended March 31, 2004.

FINANCIAL RESULTS

The Financial Results are stated as under :

<u>PARTICULARS</u>	<u>YEAR ENDED 31.03.2004</u> <u>(Rs. in Lacs)</u>
Sales & operating income	0.18
Other Income	Nil
Gross Loss before Interest, Depreciation and Taxation	(30.52)
Interest & Finance charges	Nil
Gross Loss after Interest but before Depreciation and Taxation	(30.52)
Depreciation	19.97
Provision for Taxation	Nil
Net Loss	(50.49)

OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK

The performance of Auto Components Manufacturers in the year 2003-04 have started showing improvement in view of the better results being reported by the Vehicle Manufacturers.

We are taking steps to resume the operations in the forth coming year and be a part of the emerging prospects for Auto Component Manufacturer.

We have taken steps to improve cash flows and restructure our borrowings. We are working hard to put the plant back to stream and with the commencement of productions, the support and patience which all the shareholders had shown will start yielding positive results.

We look forward to grow together.

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.**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 are covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

Sri Pradeep Kumar Sarawagi, 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.

DIRECTORS' 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'2004, the applicable accounting standards have been followed ;
- b> That such accounting policies have been selected and applied consistently and judgments 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' 2004, 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'2004 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.

For and on behalf of the Board

Place: Kolkata
The 28th day of June, 2004

ASHOK KUMAR HARLALKA
Chairman Cum Managing Director

ADITYA GEARS LTD.**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		Other	
		Particulars	Board rep.	Board Direct-ship*	
		Meetings	Last AGM		
Sri Ashok Kumar Harlalka Chairman and M.D.	Executive	8	Yes	Nil	
Sri Madan Lal Harlalka	Executive	7	Yes	Nil	
Smt. Sunita Harlalka	Non Executive	8	Yes	Nil	
Sri Pradeep Kumar Sarawagi	Non Executive	8	Yes	Nil	

* Directorship in private limited company is not considered.

Eight Board meetings were held during the financial year 2003-2004. They were held on 7th May'2003, 30th June'2003, 28th July'2003, 31st July'2003, 26th September'2003, 31st October'2003, 30th January'2004 and 26th March'2004. 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 & 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 '2004, 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. The Managing Director and the other Directors 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 Directors for the year 2003-2004 are as under :

Name of the Directors	Remuneration	Sitting Fees	Commission
1. Sri Ashok Kumar Harlalka	42,000	-	-
2. Sri Madan Lal Harlalka	30,000	-	-
3. Smt. Sunita Harlalka	-	12,000	-
4. Sri Pradeep Kumar Sarawagi	-	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 Grievances and pending Share Transfers as on 31st March 2004.

6. GENERAL BODY MEETING

The details 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.

Financial Year	Date	Time
2000-2001	28.09.2001	11.00 A.M.
2001-2002	27.09.2002	11.00 A.M.
2002-2003	26.09.2003	11.00 A.M.

No special resolutions were passed by the Company through postal ballot at any of the above meetings.

7. DISCLOSURE

i] 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.

ADITYA GEARS LTD.

ii] 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.

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 Exchanges on which the Company's shares are listed. The Quarterly Financial Results are normally published in Financial Express and Kalantar.

9. SHARE HOLDER INFORMATION

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

Annual General Meeting : Date and Time : Sept. 24, 2004 at 11 A.M.
Venue : 21, Princep Street,
 Kolkata-700 072.

Financial Calender

Financial reporting for the quarter ending

- o June 30, 2004 - End July 2004.
- o September 30, 2004 - End October 2004.
- o December 31, 2004 - End January 2005.
- o March 31, 2005 - End June 2005.

Date of Book Closure : 20th to 24th September '2004
 (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

Maheshwari Datamatics Pvt.Ltd., 6, Mangoe Lane, Kolkata -700 001.
 Telephone Number : 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.