



ADITYA GEARS LTD.

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ANNUAL REPORT
2007 - 2008

ADITYA GEARS LTD.

BOARD OF DIRECTORS

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

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 - 301019 (RAJASTHAN)

ADITYA GEARS LTD.

2

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the Members of ADITYA GEARS LTD. will be held at 21, Princep Street, Kolkata - 700 072 on Friday, the 5th day of September, 2008 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Reports of the Auditors and Directors thereon.
2. Mr. Madan Lal Harlalka, 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.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"Resolved that in accordance with the provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and as per the guidelines by all the authorities involved in such issues subject to conditions and modifications as may be considered necessary by Board of Directors to consider for forfeiture of unpaid Equity shares after giving a final reminder to the shareholders by giving them waiver of 50% on accrued interest. The Board is hereby authorised to forfeit the shares on which call will remain in arrear after the terms of offer ends.

Resolved further that the forfeitured shares the Board is hereby authorised to issue fresh Equity shares in lieu of those shares so forfeited to the class of Investors as deemed fit and to determine the form and terms of the issue as per the guidelines and to settle any question or difficulties that may arise in regard to the issue. The Board is also authorised in its absolute discretion as may deem fit and to make and accept any modification in the proposal and as may be required by the authorities involved in such issues."

Place : Kolkata

The 15th day of July, 2008

For and on behalf of the Board
ASHOK KUMAR HARLALKA

*Chairman and
Managing Director*

ADITYA GEARS LTD.

3

IMPORTANT NOTES :

1. The Register of Members of the Company will remain closed from September 1, 2008 to September 5, 2008 (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.
7. The relating Explanatory Statement in respect of the Special Business to be transacted at the meeting is appended hereto.

EXPLANATORY STATEMENT

The following are the Explanatory Statement in accordance to the Companies Act, 1956 relating to the business mentioned for Special Business No. 5 of the accompanying notice dated 15th July, 2008.

No. 5

The unpaid Equity shares are long overdue for payment. These outstanding are from 1996. The outstanding since then are not forthcoming. It is being proposed to send the final reminder by giving them a waiver of 50% interest since accrued. The Shareholders are being requested to come forward and pay the arrears. This long due arrears had also reflected in the performance of the Company. The management have waited long and would like to give the final reminder to the Shareholder with 50% accrued interest waiver to proceed with the forfeiture of the shares. The Board recommends this resolution for approval of the Shareholders.

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

Place : Kolkata
 The 15th day of July, 2008

ADITYA GEARS LTD.

4

DIRECTOR'S REPORT

To The Members
ADITYA GEARS LTD.

Your Directors present the 13th Annual Report of your Company along with the Audited Statement of Accounts for the Financial Year ended March 31, 2008.

FINANCIAL RESULTS

The Financial Results are stated as under :

<u>PARTICULARS</u>	<u>Year Ended 31.03.2008</u> <u>(Rs. in Lacs)</u>
Sales & Operating Income	0.47
Other Income	Nil
Gross Loss before Interest, Depreciation and Taxation	(7.78)
Interest & Finance charges	Nil
Gross Loss after Interest but before Depreciation and Taxation	(7.78)
Depreciation	19.97
Provision for Taxation	Nil
Provision for Fringe Benefit Tax	0.005
Net Loss	(27.75)

OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK

The Company needs fresh inflows of Capital. The Call money in arrears are also not forthcoming. Bankers had given their approval for one time settlement. We need to settle their outstanding at the earliest. The Company may decide to sell fixed assets to meet these obligations. The process of infusing fresh working capital are also under negotiation. The decision as the situation warrants will be taken. We need fresh capital to restart our working activities. We are giving a fresh look to our operations and will restructure to the emerging opportunities. We will overcome the challenges ahead and assure you of the favourable future outcome.

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.

CALL MONEY ARREARS

We request the Share Holders to clear the Call Money who had not done yet. The Company needs Capital at this point urgently to achieve the growth emerging from the forthcoming opportunities. The Call Money collection will definitely help to achieve the desired results of the Company. The immediate action will be appreciated. The fresh proposal with 50% interest waiver will be made. Members are requested to avail of this opportunity and clear the pending arrears.

ADITYA GEARS LTD.**5****FINANCE**

The Company needs fresh inflow of fund to meet the current capital need. The Board can also consider selling of its Fixed Assets as the situation warrants to meet its commitments to bank.

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

Mr. Madan Lal Harlalka, 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' 2008, 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' 2008, 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' 2008 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 29th day of June, 2008

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

ADITYA GEARS LTD.

6

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' Philosophy on Code of Governance envisages attainment of highest level of transparency, accountability, empowerment and ethical business conduct across all facets of its operations. The Company aspires to be a responsible partner acting with integrity towards its shareholders, customers, employees, the government and its business associates.

2. Board of Directors**Composition**

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	9	Yes	Nil
Sri Madan Lal Harlalka	Executive	9	Yes	Nil
Smt. Sunita Harlalka	Non-Executive	9	Yes	Nil

* Directorship in private limited company is not considered.

Nine Board meetings were held during the financial year 2007-2008. They were held on 30th April '2007, 29th June '2007, 31st July '2007, 21st September '2007, 1st October '2007, 30th October '2007, 5th December '2007, 30th January '2008 and 27th March '2008. 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, who possess knowledge of the corporate finance & accounts.

The constitution of the Audit Committee is as follows :

1. Smt. Sunita Harlalka : Chairman
2. Sri Madan Lal Harlalka : Member

MEETINGS AND ATTENDANCE

During the financial year ended 31st March '2008, 4 Audit Committee Meetings were held and all the four meetings were attended by both the above Directors.

4. REMUNERATION COMMITTEE**Terms of Reference**

The Company has 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. Therefore, no Remuneration Committee has been constituted.

Details of Remuneration / Sitting Fees paid to all Directors

The remuneration/Sitting Fees payable to the Executive / Non-Executive Directors for the year 2007-2008 are as under :

Name of the Directors	Remuneration	Sitting Fees	Commission
1. Sri Ashok Kumar Harlalka	60,000	—	—
2. Sri Madan Lal Harlalka	42,000	—	—
3. Smt.Sunita Harlalka	—	13,500	—

5. SHARE HOLDERS COMMITTEE

The Share Holders Committee / Investors Grievance Committee consists of Smt. Sunita Harlalka as Chairman and Sri Madan Lal 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 '2008.

6. GENERAL BODY MEETING

The information 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
2004-2005	23.09.2005	11.00 A.M.
2005-2006	23.09.2006	11.00 A.M.
2006-2007	21.09.2007	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.