



ADITYA GEARS LTD.

**ANNUAL REPORT
2010 - 2011**

ADITYA GEARS LTD.

BOARD OF DIRECTORS

ASHOK KUMAR HARLALKA,
Chairman & Managing Director
SUNITA HARLALKA
ANANT VEER HARLALKA

BANKERS

ORIENTAL BANK OF COMMERCE
BANK OF INDIA
INDIAN BANK
AXIS BANK

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

NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the Members of ADITYA GEARS LTD. will be held at 21, Princep Street, Kolkata - 700 072 on Friday, the 16th day of September, 2011 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Reports of the Auditors and Directors thereon.
2. Smt. Sunita Harlalka, retires as Director and being eligible, offers herself 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 30th day of June, 2011

IMPORTANT NOTES :

1. The Register of Members of the Company will remain closed from 12th September, 2011 to 16th September, 2011 (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.

DIRECTOR'S REPORT

To The Members
ADITYA GEARS LTD.

Your Directors present the 16th Annual Report of your Company along with the Audited Statement of Accounts for the Financial Year ended March 31, 2011.

FINANCIAL RESULTS

The Financial Results are stated as under :

| PARTICULARS | Year Ended 31.03.2011 (Rs. in Lacs) |
|---|--|
| Sales & Operating Income | 1.04 |
| Other Income | 149.13 |
| Gross Income / (Loss) before Interest, Depreciation and Taxation | 84.29 |
| Interest & Finance charges | 117.28 |
| Gross Loss after Interest but before Depreciation and Taxation | (32.99) |
| Depreciation | Nil |
| Provision for Taxation | Nil |
| Provision for Fringe Benefit Tax | Nil |
| Net Loss | (32.99) |

OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK

We had sold the Fixed Assets at Bhiwadi of the Company and the Bank liabilities are settled and paid in full and final. The DRT case had been withdrawn and No dues letter from Bank had also been received.

We appreciate and understand the hardship being faced by the Shareholders and assure you that the coming years will be rewarding. We will be needing some period having been able to overcome the inevitable Bank Auction scenario. We will now be able to undertake new venture with proper vigour and ease. The renewed activities will be undertaken after due diligence for reviving the future prospects of the Company.

We once again request shareholders to pay Call Money arrear. The overdue interest have been waived and request you to pay the arrears. This non-payment had disturbed the working in the initial stage and any further delay will hemper the future prospects.

DIVIDEND

Your Directors did not recommend any dividend for the year under review.

EXPORTS

The export markets will be explored as the future opportunities emerges.

CALL MONEY ARREARS

We request the Share Holders to clear the Call Money who have not done so yet. The Company urgently needs Capital at this point to achieve the growth emerging from the forthcoming opportunities. The Call Money collection will definately help to achieve the results of the Company.

FINANCE

The Company needs fresh inflow of fund to meet the capital requirement.

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

Smt. Sunita Harlalka, retires by rotation as a Director and being eligible, offers herself 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' 2011, 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' 2011, 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' 2011 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 30th day of June, 2011

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' 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 | 10 | Yes | Nil |
| Smt. Sunita Harlalka | Non-Executive | 10 | Yes | Nil |
| Sri Anant Veer Harlalka | Non-Executive | 5 | Yes | Nil |

Directorship in private limited company is not considered.

Ten Board meetings were held during the financial year 2010-2011. They were held on 7th April '2010, 27th May '2010, 30th June '2010, 31st July '2010, 13th August '2010, 27th August '2010, 15th November '2010, 29th January '2011, 15th February '2011 and 29th March '2011. 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.

ADITYA GEARS LTD.

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The constitution of the Audit Committee is as follows :

1. Smt. Sunita Harlalka : Chairman
2. Sri Anant Veer Harlalka : Member

MEETINGS AND ATTENDANCE

During the financial year ended 31st March '2011, 4 Audit Committee Meetings were held and all the four meetings were attended by Chairman.

4. REMUNERATION COMMITTEE

Terms of Reference

The Managing Director on the Board of the Company, 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 which was fixed in view of 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 2010-2011 are as under :

| <u>Name of the Directors</u> | <u>Remuneration</u> | <u>Sitting Fees</u> | <u>Commission</u> |
|------------------------------|---------------------|---------------------|-------------------|
| 1. Sri Ashok Kumar Harlalka | 60,000 | — | — |
| 2. Smt. Sunita Harlalka | — | 15,000 | — |
| 3. Sri Anant Veer Harlalka | — | 7,500 | — |

5. SHARE HOLDERS COMMITTEE

The Shareholders Committee / Investors Grievance Committee consists of Smt. Sunita Harlalka as Chairman.

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 '2011.

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 |
|----------------|------------|------------|
| 2007-2008 | 05.09.2008 | 11.00 A.M. |
| 2008-2009 | 04.09.2009 | 11.00 A.M. |
| 2009-2010 | 27 08.2010 | 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.
- 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 are being pending.
- iii] The appointment of independent Directors etc. as per the revised norms of Clause 49 of the Listing Agreement have to be kept pending in view of the prevailing conditions. The issue with the Bankers have been now resolved the due process will be initiated.

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 also been submitted to the Stock Exchanges on which the Company's shares are listed. The Quarterly Financial Results are published in Echo of India and Arthik Lipi for 1st three quarters and the result of last quarter and Annual audited result are published in Financial Express and Duranta Barta.

9. SHARE HOLDER INFORMATION

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

Annual General Meeting : Date and Time - September 16, 2011 at 11 A.M.

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