



26th Annual Report 2003-2004 *AMZEL AUTOMOTIVE LIMITED*

A M Z E L***Automotive Limited***

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A M Z E L

Automotive Limited

BOARD OF DIRECTORS

SALEEM FAZELBHOY

CHAIRMAN & MANAGING DIRECTOR

M. R. SHROFF

DIRECTOR

F.A.A. JASDANWALLA

DIRECTOR

S. K. DIWANJI

DIRECTOR

RANJAN S. SANGHI

DIRECTOR

BANKERS

CANARA BANK

HDFC BANK

SOLICITORS

DESAI & DIWANJEE, MUMBAI

AUDITOR

R. V. SHAH

Chartered Accountant

Mumbai.

REGISTERED OFFICE

225, A-Z Industrial Estate,

Ganpatrao Kadam Marg,

Lower Parel,

MUMBAI - 400 013.

A M Z E L**Automotive Limited****N O T I C E**

Notice is hereby given that the **26th** Annual General Meeting of the Members of Amzel Automotive Limited will be held at the Registered Office of the Company at 225, A-Z Industrial Estate, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013 on Tuesday, the 14th September, 2004 at 11a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2004.
3. To appoint a Director in place of Mr. M. R. Shroff who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Ranjan S. Sanghi who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditor to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix his remuneration.

SPECIAL BUSINESS

6. To consider and give your assent/dissent thereon through Postal Ballot (enclosed herewith) as a Special Resolution.

AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions under the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and of the Articles of Association of the Company and the Securities Contracts (Regulation) Act and Rules framed thereunder, the provisions under the Listing Agreements and in accordance with the SEBI (Delisting of Securities) Guidelines, 2003 as may be modified from time to time or such other Guidelines as may be issued by SEBI in this regard from time to time and subject to such other compliances, approval(s) and permission(s) and/or sanctions from the Securities & Exchange Board of India and of such other appropriate authorities, Institutions or Bodies as may be necessary, and subject also to such other terms, conditions and modifications as may be prescribed in granting such approvals, permissions and/or sanctions and agreed to by the Board of Directors of the Company as may be required, the consent, authority and approval of the members be and is hereby accorded to the Board of Directors to delist the shares of the company from The Stock Exchange, Mumbai. (Regional Stock Exchange)

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RESOLVED FURTHER THAT the Members of the Board of Directors of the Company be and they are hereby jointly and severally authorized to do all such acts, deeds and things as may be necessary in order to comply with such Regulatory and Procedural requirements as may be stipulated in this regard and to make an application with the concerned stock exchange authorities for delisting of shares and also to seek such exemptions, concessions and/or waivers from complying with any requirements, or formalities and also to make such applications, representations or communications before such authorities, as may be necessary in this regard.

RESOLVED FURTHER THAT the Board of Directors of the company be and they are hereby jointly and severally authorized to do all such acts, deeds and things as it may in its absolute discretion deem necessary, proper or expedient and to settle any question, difficulty or doubt that may arise with respect to the delisting of shares from the aforesaid stock exchange and further to do all acts, deeds and things and to finalize and execute all such deeds, documents and writing as may be necessary or expedient as it may deem fit."

Notes

1. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the company. The Proxy, in order to be effective must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer books will remain closed from Monday, 6th September, 2004 to Tuesday, the 14th September, 2004 both days inclusive.
3. The dividend on equity shares as recommended by the Directors for the year ended 31st March, 2004 if declared at the meeting will be payable to those members whose names stand in the Register of Members of the company on 14th September, 2004 to the mandates.
4. Members are requested to notify immediately change of address if any, to the company at its Registered Office.
5. Item No.6 for delisting the Equity Shares from Regional Stock Exchange Mumbai through Postal Ballot. Postal Ballot must be deposited at the Registered office of the Company before 5 p.m. on 10th September, 2004
6. The time limit for transfer from unpaid dividend to the Central Government has been enhanced from three years to seven years, effective from October 31, 1998 as per Sec.205C inserted by Clause 12 of the Companies (amendment) Act, 1999.
7. Members, who have not encashed their dividend warrants for the financial year ended after 31st March, 1997 may claim the unclaimed dividend directly from the company. The shareholders can send their request letter directly to the Company.
8. Shareholders holding shares in identical order of names in more than one folio are requested to write to the company enclosing their Share Certificates to enable the company to consolidate their holdings in one folio.
9. Members are requested to quote ledger folio numbers in all correspondence with the company.

Regd.Office

225, A-Z Industrial Estate,
Ganpatrao Kadam Marg,
Lower Parel,
MUMBAI - 400 013.

**BY ORDER OF THE BOARD
AMZEL AUTOMOTIVE LIMITED**

**SALEEM FAZELBHOY
CHAIRMAN & MG. DIRECTOR**

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS****Item No.6**

The Equity Shares of the Company are presently listed on the Stock Exchange, Mumbai.

The Promoter of the Company namely Mr. Saleem Fazelbhoy and M/s. Amzel Private Limited (hereinafter referred to as acquirer) had been required to make an open offer to the public shareholders of the company in compliance with the provisions of Chapter III of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 ("Takeover Regulations") by SEBI vide their order dated 30th May, 2003 as a penal action for violation of the provisions u/r 11(2) of the Takeover Regulations.

Accordingly, the promoters had made an Open Offer in accordance with the provisions under the Takeover Regulations pursuant to which the public shareholding in the Company is reduced below 10%. Further, the Acquirers had, in the Letter of Offer issued in respect of the said open offer, undertaken in terms of regulation 21(3) of the Takeover Regulations to provide an exit to the balance public shareholders in accordance with the SEBI Delisting Guidelines as may be applicable from time to time. A detailed offer in this regard shall be sent to the members separately.

It is also worth noting that the reason behind listing of the shares is to provide liquidity to the shareholders by enabling them to buy/sell the shares through the stock exchange mechanism. However, it is observed that there has been no trading / sporadic trading in the equity shares of the company since last several years. Thus, it is evident that neither the Company nor the shareholders of the Company are drawing any benefits from the listing of the Equity Shares of the Company on this Stock Exchange.

Moreover, on account of continued listing on the Stock Exchange, the Company is subjected to substantial efforts and expenditure which are recurring in nature like annual listing fees, publication of financial results from time to time and the like while complying with various requirements to be complied with by a Listed Company under the provisions of the Listing Agreement as well as various Acts and Rules governing the Securities Market.

In view of the above, your Board of Directors have expressed a view that the shares of the company should be delisted from the Stock Exchange, Mumbai in accordance with the guidelines on delisting of securities as may be issued by SEBI and/or the concerned Stock Exchanges from time to time.

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The proposed delisting shall not adversely affect the interest of the Public Shareholders as the promoters of the company have agreed to provide an Exit Opportunity to the public shareholders under the SEBI Guidelines as may be modified from time to time.

No other Directors of the company except Mr. Saleem Fazalbhoy, are directly or indirectly concerned or interested in the proposed resolution.

Your Board of Directors therefore, recommends to pass the proposed resolution by way of a Special Resolution.

Regd. Office

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Lower Parel,
MUMBAI - 400 013.

**BY ORDER OF THE BOARD
AMZEL AUTOMOTIVE LIMITED**

**SALEEM FAZALBHOY
CHAIRMAN & MG. DIRECTOR**

Mumbai, dated 28th July, 2004

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A M Z E L**Automotive Limited****DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2004**

To :
The Members

The Directors have pleasure in presenting the **26th** Annual Report together with audited accounts of the company for the financial year ended 31st March, 2004.

	Year ended 31.3.2004 Rupees	Year ended 31.3.2003 Rupees
1. <u>FINANCIAL RESULTS :</u>		
Profit before Taxation	121,57,747	1,01,89,862
Less : Provision for Taxation	43,98,774	37,48,962
Add : Excess provision for Taxation for earlier years written back	3,32,391	—
Add : Profit & Loss for earlier year	98,89,456	51,49,972
Profit available for Appropriation	<u>1,79,80,820</u>	<u>1,15,90,872</u>

APPROPRIATION

Proposed Dividend	60,00,000	10,80,000
Corporate Dividend Tax	7,50,000	1,38,348
Transferred to General Reserve	7,75,897	4,83,068
Balance carried to Balance Sheet	<u>1,04,54,923</u>	<u>98,89,456</u>
	<u>1,79,80,820</u>	<u>1,15,90,872</u>

2. DIVIDEND

Your Directors recommend a dividend of Rs.10 per share in respect of Financial Year 2003-2004.

3. PERFORMANCE

Net Sales of Products and Service for the year grew by 12% whereas expenses grew by 11.50%. Profit before tax as a percentage of net sales increased marginally to 5.10% compared to 4.79% in previous year. Similarly profit after tax as a percentage of net-sales improved to 3.27% during the year as compared to 3.03% in previous year.

During the year company has opened a new branch at Sanghli to increase its network for the distribution of batteries.

To augment the income your management has entered in the business of Medical Transcription with Crossover Medical Technologies of USA. A small beginning has been made in the year under review which should develop into more business in the coming year.

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4. FUTURE PROSPECTS

Due to increasing competition principals of the company have introduced a new range of Batteries at lower prices whereby profit margin of the company has been reduced. This could have affected profitability unless it is balanced by increased sales volume.

The Automotive market continues to be buoyant with the increase in number of vehicles on the road. Company also expects to do better in the business of Medical Transcription.

5. PUBLIC DEPOSITS

There are no public deposits outstanding as on 31st March, 2004 as the Company has stopped accepting deposits. Hence section 58A of the Companies Act, 1956, does not apply.

6. INSURANCE

The Company's assets continue to be fully insured against all possible risk.

7. PARTICULARS OF EMPLOYEES

Provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable since there are no employees drawing remuneration exceeding Rs.2,00,000/- per month or Rs.24,00,000/- per year.

8. DIRECTORS

Mr. M. R. Shroff and Mr. Ranjan S. Sanghi Directors of the Company retire by rotation and being eligible offers themselves for reappointment.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that —

- (a) in the preparation of the annual account for the year ended 31st March, 2004, applicable accounting standards have been followed with no material departures, if any ;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2004 and of the profit of the company for the year ended on that date ;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (d) the Directors have prepared the annual accounts on a going concern basis.

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10. AUDITORS

Mr. R. V. Shah, the Company's Auditor will retire at the conclusion of the ensuing Annual General Meeting. He has given his consent to continue to act as Auditor of the Company for the current year, if reappointed. Members are requested to re-appoint him and authorise the Board to fix up his remuneration.

11. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EARNINGS AND OUTGOINGS

The Company has no activities relating to conservation of energy or technology absorption. During the year foreign exchange earnings were Rs.36,84,025/-. There were no foreign exchange outgo during the year.

12. APPRECIATION

Your Directors wish to acknowledge and place on record their appreciation for co-operation and support extended by Principals, Dealers, Banks, Employees and Members of the company and look forward for their continued co-operation.

Regd. Office

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BY ORDER OF THE BOARD
AMZEL AUTOMOTIVE LIMITED

SALEEM FAZELBHOY
CHAIRMAN & MG. DIRECTOR

Mumbai, dated 30th June, 2004.