

27th Annual Report 2004-2005 **AMZEL AUTOMOTIVE LIMITED**

A M Z E L
Automotive Limited

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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 **27th** 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, 6th day of September, 2005 at 11 a.m. to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005 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, 2005.
3. To appoint a Director in place of Mr. F.A.A. Jasdanwala who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. S. K. Diwanji 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 if thought fit to pass with or without modification the following resolution as a Special Resolution.

AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 Schedule XIII and any other applicable provisions of the Companies Act, 1956 Mr. Saleem Fazelbhoj, Chairman and Managing Director of the Company be and is hereby re-appointed as Managing Director of the company for a period of Five Years with retrospective effect from 1.4.2004 to 31.3.2009 upon the terms and conditions setout in the draft agreement, placed before the meeting and initialled by Mr. Ranjan S. Sanghi, the Director of the Company, for the purpose of identification which agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of agreement in such manner as may be agreed between the Directors and Mr. Saleem Fazelbhoj."

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

BY ORDER OF THE BOARD
AMZEL AUTOMOTIVE LIMITED

SALEEM FAZELBHOJ
CHAIRMAN & MG. DIRECTOR

Mumbai, dated August 9, 2005

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Automotive Limited

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 30th August, 2005 to 6th September, 2005 both days inclusive.
3. The dividend on equity shares as recommended by the Directors for the year ended 31st March, 2005 if declared at the meeting, will be payable to those members whose names stand in the Register of Members of the company on 6th September, 2005 to the mandates.
4. Members are requested to notify immediately change of address if any, to the company at its Registered Office.
5. 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.
6. Members, who have not encashed their dividend warrants for the financial year ended after 31st March, 1998 may claim the unclaimed dividend directly from the company. The shareholders can send their request letter directly to the Company.
7. 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.
8. Members are requested to quote ledger folio numbers in all correspondence with the company.
9. R.V. SHAH, Chartered Accountant, the company's Auditor retires at the ensuing Annual General Meeting. The Company was informed that R. V. SHAH Chartered Accountant, a proprietary concern has constituted a Partnership Firm "M/s. SHR & CO." Chartered Accountants and hence it is proposed to appoint the said Partnership Firm as the Statutory Auditors of the company for the F. Y. 2005-06.

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BY ORDER OF THE BOARD
AMZEL AUTOMOTIVE LIMITED

SALEEM FAZELBHOY
CHAIRMAN & MG. DIRECTOR

Mumbai, dated August 9, 2005

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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS

ITEM NO.6

The term of office of Shri Saleem Fazalbhoj, the Managing Director of the company had expired on 31.3.2004. The Board of Directors proposes to re-appoint him as Managing Director of the Company for a period of five years from 1st April, 2004 to 31st March, 2009.

The Draft Agreement to be entered into between the Company and Shri Saleem Fazalbhoj contains the following terms and conditions.

(a) **Salary**

Rs.50,000 per month from 1st April, 2004.

(b) **COMMISSION**

Subject to the provisions of Section 198 and section 309, commission to be paid which shall not exceed five percent of the company's net profits.

(c) **HOUSING**

He will be provided with a Company accommodation. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income-tax Act, 1962.

(d) **MEDICAL REIMBURSEMENT**

Expenses incurred for self and family.

(e) **LEAVE TRAVEL CONCESSION**

For self and family once in a year in accordance with the company's Rules.

(f) **CLUB FEES**

Fees of Club subject to a maximum of two clubs.

(g) **PERSONAL ACCIDENT INSURANCE**

Of an amount the premium of which shall not exceed Rs.4,000 per annum.

(h) **USE OF CAR AND TELEPHONE**

Car for use of Company's business and telephone at residence will not be considered as perquisites.

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(i) OTHER BENEFIT

1. Leave with full pay and allowances as per rules of the company but not exceeding one month's leave for every 11 months of service ;
2. Reimbursement of entertainment expenses actually and properly incurred for the business of the company.

- (j)
1. The agreement cancels and supercedes all prior agreement between the parties.
 2. The terms and conditions of the appointment may be varied, altered, increased, enhanced or widened from time to time by the Board subject to the provisions contained in Schedule XIII to the Companies Act, 1956 as amended from time to time.
 3. He shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committee thereof.
 4. He shall give an undertaking to the company that he shall not so long as he remain as a Director of the company become interested or otherwise concerned directly or through his relatives in any selling agency of the company without the prior approval of the company and the Central Government, wherever applicable.
 5. The appointment and the remuneration payable shall be subject to the approval of the shareholders in the General Meeting.

- (k) The Agreement may be terminated by either party giving six months notice.

The above may be treated as an abstract of the terms of the appointment pursuant to section 302 of the Companies Act, 1956.

Except Shri Saleem Fazelbhoy, no other Director is interested in the above resolution.

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BY ORDER OF THE BOARD
AMZEL AUTOMOTIVE LIMITED

SALEEM FAZELBHOY
CHAIRMAN & MG. DIRECTOR

Mumbai, dated August 9, 2005

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Automotive Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2005

To :
The Members

The Directors have pleasure in presenting the **27th** Annual Report together with audited accounts of the company for the financial year ended 31st March, 2005.

1. FINANCIAL RESULTS :

	Year ended 31.3.2005 Rupees	Year ended 31.3.2004 Rupees
Profit before Taxation	1,47,33,977	121,57,747
Less : Provision for Taxation	54,38,702	43,98,774
Add : Excess provision for Taxation for earlier years written back	—	3,32,391
Add : Profit & Loss for earlier year	1,04,54,924	98,89,456
Profit available for Appropriation	<u>1,97,50,199</u>	<u>1,79,80,820</u>

APPROPRIATION

Proposed Dividend	60,00,000	60,00,000
Corporate Dividend Tax	8,41,500	7,50,000
Transferred to General Reserve	9,29,528	7,75,897
Balance carried to Balance Sheet	<u>1,19,79,171</u>	<u>1,04,54,923</u>
	<u>1,97,50,199</u>	<u>1,79,80,820</u>

2. DIVIDEND

Your Directors recommend a dividend of Rs.10/- per share in respect of Financial Year 2004-2005.

3. PERFORMANCE

Net Sales of Products and Service for the year grew by 35.34% whereas expenses grew by 35.89%. Profit before tax as a percentage of net sales decreased marginally to 4.57% compared to 5.10% in previous year. Similarly profit after tax as a percentage of net-sales declined to 5.10% during the year as compared to 2.89% in previous year.

The Medical Transcription Business continues to contribute to the profitability although the profit margins are not very high as the work is being out sourced by us.

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4. FUTURE PROSPECTS

As at April 1, 2005 our principals M/s. Exide Industries Ltd. took over for direct selling to dealers, the territory of Pune that was up till now being managed by us. This meant that we had to close down our two branches at Pune and Kasarwadi with a subsequent loss of about 40% of our Sales.

As a result, the future prospects for Sales and Profits are going to be less than the previous year.

5. DELISTING

The Company's Shares which were listed on Bombay Stock Exchange were delisted on the Stock Exchange w.e.f. 4.7.2005, upon the application made by the company.

6. PUBLIC DEPOSITS

There are no public deposits outstanding as on 31st March, 2005 as the Company has stopped accepting deposits. Hence section 58A of the Companies Act, 1956, does not apply.

7. INSURANCE

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

8. 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.

9. DIRECTORS

Mr. F.A.A. Jasdanwala and Mr. S. K. Diwanji Directors of the Company retire by rotation and being eligible offers themselves for reappointment.

10. 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, 2005, applicable accounting standards have been followed with no material departures, if any ;

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

- (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, 2005 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.

11. AUDITORS

Mr. R. V. SHAH Chartered Accountant, the Company's Auditor retires at the ensuing Annual General Meeting. The Company was informed that R. V. Shah Chartered Accountant, a Proprietary Concern has constituted a Partnership Firm "M/s. SHR & CO." Chartered Accountants, having address at 212A, Rewa Chambers, Sir Vithaldas Thackersey Marg, Mumbai - 400 020. Hence it is proposed to appoint the said firm as statutory Auditors of the Company for the Financial Year 2005-06. Such appointment shall be made as per the provisions of the Companies Act, 1956.

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

During the year foreign exchange earnings were Rs.132,42,017/-. There were no foreign exchange outgo during the year.

The Company has no activities relating to conservation of energy or technology absorption.

13. 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.

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Mumbai, dated August 9, 2005

BY ORDER OF THE BOARD
AMZEL AUTOMOTIVE LIMITED

SALEEM FAZELBHOY
CHAIRMAN & MG. DIRECTOR