

AUTO PINS (INDIA) LIMITED

REGD. OFF. : 2776, PYARE LAL MOTOR MARKET, KASHMERE GATE, DELHI - 110006

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Company will be held on **Saturday, the 29th September, 2007 at 10:00 A.M.** at the Registered Office of the Company at **2776, Pyare Lal Motor Market, Kashmere Gate, Delhi - 110006**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2007 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To Appoint a Director in place of Mr. Salil Narang, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint **M/s Sanjay Rawal & Co.**, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Director of the Company.

On behalf of the Board of Directors
For Auto Pins (India) Ltd.


(Rajbir Singh)
(Managing Director)

Date: 30.08.2007

Place: Delhi

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. A blank form of proxy is enclosed and if intended to be used, it should be returned duly completed to the registered office of the company not less than forty eight hours before the scheduled time of the annual general meeting.
1. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, the 28th September, 2007 to Saturday, the 29th September, 2007** (both days inclusive).

3. Members are requested to notify changes, if any, in their address to the Company's registered office at the earliest.
1. Members are requested to bring their copy of the Annual Report to the venue of the meeting.
5. Members are requested to hand over the enclosed attendance slip, duly signed in accordance with their specimen signature, registered with the company, for admission of the meeting hall.
6. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at least seven day in advance of the meeting so that the information required may be made readily available at the meeting.

On behalf of the Board of Directors
For Auto Pins (India) Ltd.


(Rajbir Singh)
(Managing Director)

Date: 30.08.2007
Place: Delhi

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AUTO PINS (INDIA) LIMITED

REGD. OFF. : 2776, PYARE LAL MOTOR MARKET, KASHMERE GATE, DELHI - 110006

DIRECTORS' REPORT

To the Members,
AUTO PINS (INDIA) LIMITED

Ladies and Gentlemen,

Your Directors have pleasure in presenting their Annual Report on the operations of the Company together with the Audited Statement of Accounts for the financial year ended on 31.03.2007

FINANCIAL RESULTS

(in Rs.)

Particulars	Year ending 31.03.2007	Year ending 31.03.2006
Gross Receipts	11983555	16896261
Profit/(Loss)Before Tax	(10354804)	(10832547)
Tax	4875	7926
Depreciation	10309130	10430098
Profit /(Loss)After Tax	(10359679)	(10840473)

OPERATIONAL PERFORMANCE

During the Year the performance of the Company was not satisfactory. The Turnover of the Company registered a marginal upward trend, it soared up to Rs. 98,89,985 as compared to the previous year's turnover of Rs. 95,70,333. However the Company has managed to bring down the losses of the Company to Rs. 10354804 as compared to the previous year's figures of Rs. 10832547.

DIVIDEND

In the view of loss incurred during the year, your directors regret their inability to recommend dividend for the financial year ended 31st March 2007.

AUDITORS

M/s Sanjay Rawal & Co., Chartered Accountants, Auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment.

AUDITORS' REPORT

The Board's comments pursuant to Section 217(3) of the Companies Act, 1956 on the qualifications made by the Auditors in their Report are as follows:

As regards Point No. (i) (a)(b), the Assets have been verified quarterly by the department in-charge and annually by the management.

As regards Point No. (ii) (a)&(b), the department in-charge verifies the stock of finished goods, stores, spares, raw materials, packing material etc. on a quarterly basis and the annual verification is carried out by the management.

As regards Point No. (vii), as the Company is a Sick Company, the Company could not afford the expenses of the internal audit system. Efforts are made to keep the internal control system healthy by the employees themselves.

As regards Point No. (ix)(x) (xi), as the Company is Sick, due to shortage of funds, there might have been delays in depositing the statutory dues like P.F., Sales Tax, ESI, Investor Education and Protection Fund, Financial institution and Bank.

PUBLIC DEPOSITS

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

INDUSTRIAL RELATION

Harmonious Industrial climate and inter personal relationship continued to prevail and strengthening further the well established traditions and commitments to the future growth of the employees.

PERSONNEL

The Board of Directors wishes to express its appreciations to all the employees of the Company for the outstanding contribution to the operations of the Company during the year. Non of the employees of the Company is covered by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure - 1, and forms an integral part of this report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

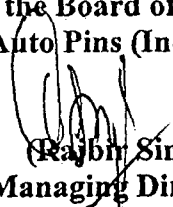
- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2007 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- i) that the Directors have selected such accounting policies and applied them consistently 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 at the end of the year and of the loss of the Company for the year under review;
- i) that the Directors have taken proper and sufficient care 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.
- ii) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2007 on a 'going concern' basis.

ACKNOWLEDGEMENT

Yours Directors acknowledge with gratitude the continuing co-operation and assistance rendered by the Central Government, State Government, Financial Institutions, Banks, suppliers and other organizations in the working of the Company.

The Directors also wish to place on record their deep sense of appreciation for the dedicated services rendered by the officers, staff and workmen of the Company. The Board takes this opportunity to express its gratitude for the continuous support received from the shareholders.

On behalf of the Board of Directors
For Auto Pins (India) Ltd.


(Rajbir Singh)
(Managing Director)

Date: 30.08.2007
Place: Delhi

ANNEXURE '1' TO DIRECTORS REPORT

THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988

A. Conservation of Energy:

No additional investment is proposed but all efforts are on to conserve energy by improving operations.

B. TECHNOLOGY ABSORPTION:

1. RESEARCH & DEVELOPMENT(R&D)

The development activities of the Company are mainly towards energy conservation and quality improvement which is an on-going process. No separate record of the expenditure incurred is maintained by the Company.

2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

Continuous efforts are being made to upgrade processes by absorption of relevant technology to suit local conditions through modernisation. The company is not using any imported technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

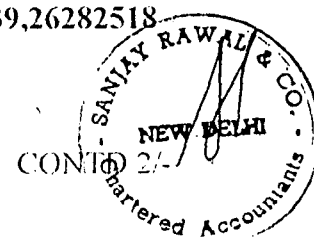
Particulars of Foreign exchange earnings and outgo are given in Notes on Accounts, under Note 20&21.

SANJAY RAWAL & CO.
CHARTERED ACCOUNTANT

Auditor's Report to the Member of Auto Pins (India) Ltd.

1. We have audited the attached Balance Sheet of **Auto Pins (India) Ltd.** as at 31st March 2007 and also the Profit & Loss account and the cash flow statement for the year ended on that date annexed hereto.
These financial statements are responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March 2007 and taken on record by board of director, we report that none of the directors are disqualified as on 31st March 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

**OFFICE ADDRESS: A-146, DAYANAND COLONY, LAJPAT NAGAR-IV
NEW DELHI-110024. PHONE: 2421822, 26478539, 26282518**



vi) We report that:

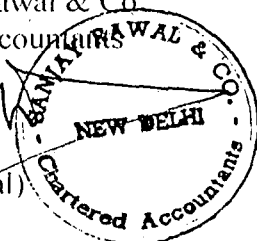
- a) Note No. 9 regarding order of the BIFR declaring the Company as Sick Company and appointment of Operating Agency to prepare revival scheme, raise substantial doubt that the Company will be able to continue as a going concern.
- b) Note No.4(a) regarding Non provision of leave salary and gratuity of employees (amount unascertained)
- c) Note No. 10 regarding non provision of interest on loan from canara bank and HBI (total Loan Rs.15,23,01,999.00), the amount of interest could not be ascertained
- d) Note no.11s regarding non provision of interest on secured loan from certain parties (total loan Rs. 16323179.00) the amount of interest could not be ascertained.
- e) Note No. 13 regarding non provision of impairment loss, the amount of impairment loss could not be ascertained.

vii) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and subject to our remark with their resultant impact(to the extent ascertainable) as given in paragraph VI above give a true and fair view in conformity with the accounting principles generally accepted in India:

- f) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2007;
- g) In the case of Profit and Loss Account, of the LOSS for the year ended on that date, and
- h) In the case of Cash flow statement, of the cash flows for the year ended on that date.

For Sanjay Rawal & Co
Chartered Accountants

(Sanjay Rawal)
Partner



Place: New Delhi
Dated: 30-08-2007

Cont...3/-