

AUTO TENSION LIMITED



18th Annual Report & Accounts 2002-2003

AUTO TENSION LIMITED (DELHI)

DIRECTORS

SHRI. JUGAL KISHORE TANEJA
SHRI. K.K. CHAWLA
SHRI. R.R. CHAUDHARY
SHRI. RUP CHAND
SHRI. S.K. ARORA

BANKERS

STATE BANK OF INDIA

AUDITORS

BASANT RAM & SONS

REGISTERED OFFICE

BASANT LOK, SANGAM VIHAR,
JHARODA GAON, MAZRA BURARI,
DELHI-110 009.

WORKS

C-46, PHASE-II, NOIDA-201 305.
DISTT. GAUTAM BUDH NAGAR (U.P.)

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AUTO TENSION LIMITED

Regd. Office: Basant Lok, Sangam Vihar, Jharoda Gaon, Mazra Burari, Delhi-110 009

NOTICE:

Notice is hereby given that the 18th Annual General Meeting of the members of **AUTO TENSION LIMITED** will be held on Wednesday, the 24th day of September, 2003 at 11.00 a.m. at Basant Lok, Sangam Vihar, Jharoda Gaon, Mazra Burari, Delhi-110 009 to transact the following business: -

1. To receive consider and adopt the audited Balance Sheet as at and the Profit & Loss Account for the year ended 31st March, 2003 together with the Directors Report and the Auditors Report thereon.
2. To appoint a Director in place of Shri. S.K. Arora who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. R.R. Chaudhry who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company for the period commencing from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place: Delhi
Date : 30.08.2003

(Rup Chand)
Director

NOTE: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend instead of himself. Such proxy need not be member of the company. A proxy form is enclosed herewith.

AUTO TENSION LIMITED**Director's Report for the period ending 31.03.2003**

Your Directors are pleased to present the 18th Annual Report together with the audited statement of accounts for the period ended 31st March, 2003.

1. FINANCIAL RESULTS

	Rupees in Lakhs	
	2002-2003	2001-2002
Sales and Other Income	5.56	46.77
Profit/(Loss) Before Interest & Depreciation	(27.90)	(118.84)
- Interest	1263.83	1020.70
- Depreciation	59.44	59.51
- Profit for the year	(1351.17)	(1199.05)

2. OPERATIONS AND CORPORATE GOVERNANCE

The Company became Sick under the provisions of Section 3(1)(o) of the Sick Companies (Special Provisions) Act, 1985 as the accumulated losses exceeded the networth of the company as on 30.09.1998. Accordingly the case was registered with BIFR., where the proceedings have been concluded but against the final order passed by the B.I.F.R. the company has filed an appeal before the A.A.I.F.R. which is still pending. During this year there was neither any production nor any sales and because of the paucity of resources the compliance of conditions of corporate governance as stipulated in Clause 49 of the listing agreement with Stock Exchanges in India could not be complied with. Therefore the auditors certificate in this respect could not be sought.

3. FINANCE

In an earlier year an arrangement was entered into with the financial institutions for repayment of their dues, but due to continuous losses in the factory the company could not repay. The financial institutions filed case for recovery of loan & interest etc. thereon in the Debt Recovery Tribunal, Delhi. But the Company being sick and registered under Sick Industrial Companies Act in B.I.F.R. under Section 15(1) of Sick Industrial Act (Special Provisions) Act, the proceedings are stayed.

4. PERSONNEL

As required under Section 217(2A) of the Company's Act, 1956 the particulars are stated in the annexure and forms part of the report.

5. DIRECTORS

Shri. S.K. Arora and Shri. R.R. Chaudhary, Director of the Company retire by rotation and being eligible offer themselves for re-appointment.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

A statement giving details in accordance with the Companies (Disclosure of Particulars in the Reports of Directors) Rules 1988 is annexed and forms part of the Report.

7. DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

- (I) Applicable accounting standards have been followed in preparing the annual accounts and materials departure, if any, have been properly examined.
- (II) The Directors have selected and applied accounting policies and applied them consistently and have made judgements and estimates that are reasonable and prudent in respect of the industry so as to give a true and fair view of the state of affairs of the Company and Profit and Loss Account as at the date of Balance Sheet.
- (III) The Directors have taken proper and sufficient care for;
- a. Maintenance of ~~adequate~~ accounting records in accordance with the Companies Act, 1956.
 - b. Safeguarding the assets of the Company and
 - c. Preventing and detecting fraud and other irregularities.
- (IV) The Directors have prepared the annual accounts on a going concern basis.

8. AUDITORS

M/s. Basant Ram & Sons Chartered Accountants retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

9. AUDITORS' REPORT

As regards comments of the Auditors these when read with the notes of the accounts are self-explanatory.

Place: Delhi

Dated: 30-08-2003

**K.K.CHAWLA
R.R. CHAUDHARY
RUP CHAND
S.K. ARORA
(Directors)**

AUTO TENSION LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

Information as per section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particular in the report of the Board Directors), Rules 1988 and forming part of the Directors' Report for the period ended 31st March 2003.

CONSERVATION OF ENERGY

Measure taken –

1. Regrouping of control switch for lighting.
2. Proper maintenance programme to optimise power consumption by frequent checks of machines & electrical appliances.
3. Control over consumption of H.S.D. to optimise its use and achieve maximum results.

FORM A

Disclosure of particulars with respect to the consumption of energy

a) Power & Fuel consumption

Year ended
31-03-2003

1. Electricity		
	A. i) Purchased Units (in lacs)	-
	ii) Total Amount (Rupees in lacs)	-
	iii) Rate/Unit (Rs.)	-
	B. Own Generation	
	i) Through Diesel Generator (Units in lacs)	-
	ii) Through Steam Turbine/Generator	-
2. Coal		-
3. Furnace Oil		-
4. Others		-
b) Consumption per unit of production (MT)		
iii) Electricity (in Units)		-
iv) Furnace Oil (KL)		-
v) LDO (KL)		-

TECHNOLOGY ABSORPTION ADAPTION AND INNOVATION

- Technological advancement for manufacturing Helical springs by in house research and development efforts and improvement of product reliability.
- Better results through high quality control resulting in increasing self reliance & product consistence.
- Modification in tools & equipments for quality improvement & substitution of imported spares.
- Design improvement to meet local needs.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- Details of foreign exchange earnings & outgo are given in Schedule 14 in Note No.20, 21, 22 and 23 of the enclosed accounts.

PARTICULARS OF EMPLOYEE AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

1. Particulars of employees who were in the employment of the company in receipt of remuneration not less than Rs.50,000/- per month if employed for a part of the year.
-NIL-
2. Particulars of employees who were in the employment of the company in receipt of remuneration not less than Rs.6,00,000/- if employed throughout the year.
-NIL-

BASANT RAM & SONS
CHARTERED ACCOUNTANTS

Phone: 24358963
24353037

A-18, NIZAMUDDIN EAST,
MURLI MARG,
NEW DELHI - 110013.

H.K. CHADHA, B.Com.(Hons.), L.L.B., F.C.A.
CHARTERED ACCOUNTANT

Auditors Report

**To the shareholders of Auto Tension Limited
Delhi.**

We have audited the attached balance sheet of **Auto Tension Limited** as at 31st March, 2003 and profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that:
 - a) 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;
 - b) 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;
 - c) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
 - d) On the basis of written representation received from the directors and taken on record by the board of directors, we report that none of the directors is disqualified as at 31st March, 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - e) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, with the exception of "Accounting Standard 2"- Accounting for valuation of stock as closing stock are not valued at lower of cost or market value and difference has not been determined as cost of production has not been worked out, "Accounting Standard 10" - to the extent that the company has not prepared fixed