

GUJARAT AUTOMOTIVE GEARS LIMITED

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ANNUAL REPORT 1998-99

GUJARAT AUTOMOTIVE GEARS LIMITED



DIRECTORS

Mr. B.J. Kothari	-	Chairman
Mr. Naresh Kothari	-	Managing Director
Mrs. T.N. Kothari	-	Whole Time Director
Mr. A.J. Kothari	-	Director
Mr. N.C. Patel	-	Director
Mr. A.H. Patel	-	Director
Mr. M.D. Patel	-	Director
Mr. D.C. Daftari	-	Director

AUDITORS

M/s. Kanu Doshi Associates, Mumbai.

BANKERS

State Bank of India

REGISTERED OFFICE & FACTORY

Kalali, Vadodara - 390 012.



GUJARAT AUTOMOTIVE GEARS LIMITED

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the members of Gujarat Automotive Gears Limited will be held at the Registered Office of the Company at KALALI, VADODARA-390 012 on Monday, the 30th August, 1999 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1999 and the Profit and Loss Account for the year ended on that day and the Directors' and the Auditors' Reports thereon.
2. To appoint a Director in place of Shri B. J. Kothari who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri N. C. Patel who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors to hold office until the conclusion of the next Annual General meeting and to fix their remuneration.

SPECIAL BUSINESS :-

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

RESOLVED THAT Mr. Dhiren C. Daftari be and is hereby appointed as Director of the Company liable to retire by rotation.

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution.

RESOLVED THAT subject to the provisions of section - 269, 198, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII thereof as amended and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approval as may be necessary Shri Naresh Kothari be and is hereby reappointed as Managing Director of the company with effect from 28th March, 2000 for a period of five years on a remuneration as set out below with liberty to the Board of Directors to revise the remuneration from time to time within the limits provided for in the said Schedule XIII or any amendment thereof for the time being in force :

1. Salary : Rs.45,000 per month.
2. Perquisites : In addition to salary the following perquisites not exceeding the overall ceiling prescribed under Schedule XIII will be provided to Shri Naresh Kothari.

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- a) Housing : Rent free furnished accomodation along with benefits of gas, fuel, water, electricity, telephone and municipal tax as also upkeep and maintenance of company's hired furnished accomodation. If the company does not provide accomodation, the Managing Director will be entitled for house rent allowance not exceeding 50% of salary per month.
- b) Medical Reimbursement : Reimbursement of medical for self and family as per Rules of the Company.
- c) Leave Travel Concession: Leave travel concession will be paid by the company for self and family once in a year subject to a ceiling of one and half month's salary in a year.
- d) Club Fees: Reimbursement of club fees subject to a maximum of two clubs.
- e) Personal Accident Insurance: Personal accident insurance cover as applicable will be provided to him by the Company. Premium payable shall not exceed Rs.4.000 p.a.
Apart from the above, the Managing Director shall also be entitled to the following:
 - a) Provident Fund. Superannuation Fund: contrinbution to provident fund, superannuation fund/annuity fund in accordance with the rules of the Company.
 - b) Gratuity : Gratuity at a rate not exceeding half month, salary for each completed year of service.
 - c) Company Car: One car with the service of driver, to be maintained by the Company for official use.
 - d) Reimbursement of the entertainment, travelling and all other expenses incurred for the business of the Company.
 - e) Leave as per Rules of the Company.
 - f) Encashment of Leave at the end of his tenure as Managing Director.

Registered Office
KALALI, VADODARA - 390 012
 Date : 28.04.1999

By Order of the Board
NARESH KOTHARI
 Managing Director



GUJARAT AUTOMOTIVE GEARS LIMITED

NOTES :

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.**
2. The Register of Members and the Share Transfer Book of the Company will remain closed from 25.08.99 To 30.08.99
3. Members are requested to immediately inform about their change of address, if any, to the Company.
4. Unclaimed dividend for the year ended on 31-3-95 has been transferred to the Central Govt. Account.
5. Explanatory statement pursuant to section 173 of the Companies Act 1956 is annexed herewith.

Explanatory statement pursuant to section 173 of the Companies Act 1956.

Item No. 5 :

The Company has received a notice u/s 257 of the Companies Act 1956, from the member of the company proposing to appoint Mr. Dhiren Daftari as Director of the company

Mr. Dhiren Daftari is B.E. and having experience of 22 years.

The company will be benefited on his appointment as Director of the Company. The Board recommend his appointment as Director of the company.

None of the directors except Mr. Dhiren Daftari is directly or indirectly concerned or interested in the above resolution.

Item No. 6:

Shri Naresh Kothari was appointed as Joint Managing Director of the Company with effect from 28th March, 1995 for a period of 5 Years. His term of office as Managing Director will expire on 27th March, 2000. During his tenure as Managing Director of the Company the Company has made a Very Good Progress.

The Board of Directors propose to reappoint Mr. Naresh Kothari as Managing Director of the Company for a period of five years with effect from 28th March, 2000. Shri Naresh Kothari shall perform such duties and Exercise such powers as are entrusted to him from time to time

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by the Board of Directors of the Company, subject to the directions and restrictions imposed by the Board.

Shri Naresh Kothari shall be paid remuneration as mentioned in the resolution.

The draft agreement is open for inspection by the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company. The above may also be treated as an abstract of the draft agreement between the company and Shri Naresh Kothari pursuant to section 302 of the Companies Act 1956.

Mr. Naresh Kothari is interested to the extent of remuneration and Mrs. Tejas Kothari Whole time Director and Shri B. J. Kothari Director being relatives of Mr. Naresh Kothari may be deemed to be interested in the above resolution. None of the other Directors of the company is directly or indirectly concerned or interested in the above resolution.

Registered Office

KALALI, VADODARA - 390 012

Date : 28.04.1999

By Order of the Board

NARESH KOTHARI

Managing Director

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GUJARAT AUTOMOTIVE GEARS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Eighth Annual Report of the Company together with the audited accounts for the Year ended on March 31, 1999.

FINANCIAL RESULTS :	1998-99	1997-98
	Rs.	Rs.
Operating Profit	2339407	5439935
ADD :		
Profit on sale of assets	(-) 32647	(-) 14561
	<u>2306760</u>	<u>5425374</u>
LESS :		
Depreciation	1602655	1699668
Profit before Tax	704105	3725706
Less: Provision for Taxation	300000	1200000
Less: Prior Period adjustment	NIL	123381
Profit After Tax	404105	2402324
Balance of profit brought forward from previous year	2856546	1151838
Profit available for Appropriation	3260651	3554162
APPROPRIATION		
General Reserve	NIL	120116
Proposed Dividend	NIL	525000
Tax on Dividend	NIL	52500
Net Profit Carried Forward to Balance Sheet	3260651	2856546

OPERATIONS :

The turnover during the year was Rs. 482.25 lakhs (previous year Rs.550.06 lakhs) showing decline of 12.33% over the previous year and net profit after depreciation and interest during the year was Rs. 7.04 lakhs against profit of Rs 37.26 lakhs during the previous year due to overall recessionary trend in Indian market and automobile industry in particular. However, export during the year was Rs.74.88 lac against export of Rs.42.70 lac during previous year, showing rise of 75.06 % in export over the previous year.

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DIVIDEND: The Board does not recommend any dividend for the year ended on 31st March 1999.

DIRECTORS : Shri B. J. Kothari and Shri N. C. Patel shall retire pursuant to Article 132 of the Articles of Association of the Company and are eligible for re-appointment.

Mr. Dhiren Daftari was appointed as Additional Director of the company. The Company has received a notice u/s 257 of the Companies Act, alongwith a deposit of Rs. 500 from one of the members of the company proposing Mr. Dhiren Daftari as Director of the Company.

Mr. K. C. Raval, Director of the Company has tendered his resignation from the office of the Directors for personal reason. The Board appreciates the service rendered by him during his tenure as Director of the Company.

PARTICULARS OF EMPLOYEES: Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is NIL.

PUBLIC DEPOSITS : The company has not accepted any deposit U/s 58 A of the Companies Act 1956 during the year.

AUDITORS' REPORT : The observation of the Auditors are explained by way of appropriate notes to the accounts.

AUDITORS : Messrs Kanu Doshi Associates, the Auditors of your Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO : A statement containing the necessary informations in accordance with Section 217 (i) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and marked annexure A to this report.

STATUS ON Y2K : The Company has taken necessary steps to ensure Y2K compliance for all its computer systems.

ACKNOWLEDGEMENT : Your Directors convey their deep sense of gratitude to the employees and Company's Bankers - State Bank of India, for their excellent co-operation and assistance.

for and on behalf of the Board
Naresh Kothari
Managing Director
A. H. Patel
M. D. Patel
Directors

Place : Kalali, BARODA
Date : 28.04.1999



GUJARAT AUTOMOTIVE GEARS LIMITED

ANNEXURE - 'A'

INFORMATION AS REQUIRED UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988.

I. CONSERVATION OF ENERGY :

- | | |
|--|------|
| a) Energy conservation measures taken : | NIL |
| b) Additional investments and proposals, if any, being implemented for reduction of energy : | NIL |
| c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods. | N.A. |
| d) Total Energy consumption per unit of production as per prescribed form-A. | N.A. |

II. TECHNOLOGY ABSORPTION :

Efforts made in Technology Absorption as per Form-B

FORM - B

- | | |
|---|------|
| 1) Research & Development (R&D) | None |
| a) Specific areas in Which R&D carried out by the Company. | |
| b) Benefit derived as a result of above R&D | |
| c) Future plan of action | |
| d) Expenditure on R&D : | |
| 1. Capital | |
| 2. Recurring | |
| 3. Total | |
| 4. Total R&D Expenditure as a percentage of total turnover. | |