

GUJARAT AUTOMOTIVE GEARS LIMITED

Gujarat Automotive Gears Ltd.


(NAGESH KULKARNI)
Managing Director

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ANNUAL REPORT 2000-2001

GUJARAT AUTOMOTIVE GEARS LIMITED



DIRECTORS

Mr. B.J. Kothari	-	Chairman
Mr. Naresh Kothari	-	Managing Director
Mrs. T.N. Kothari	-	Whole Time 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

IDBI BANK LIMITED

REGISTERED OFFICE & FACTORY

Kalali, Vadodara - 390 012.



GUJARAT AUTOMOTIVE GEARS LIMITED

NOTICE

NOTICE is hereby given that the Thirtieth 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 Saturday, the 7th July, 2001 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2001 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.

Registered Office :
KALALI, VADODARA - 390 012
Date : 2 05/2001

By Order of the Board
NARESH KOTHARI
Managing Director

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 Tuesday, 3.7.2001 To Saturday, 7.7.2001.
3. Members are requested to immediately inform about their change of address, if any, to the Company.

Registered Office :
KALALI, VADODARA - 390 012
Date : 2 05/2001

By Order of the Board
NARESH KOTHARI
Managing Director

GUJARAT AUTOMOTIVE GEARS LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Thirtieth Annual Report of the Company together with the audited accounts for the year ended on March 31, 2001.

FINANCIAL RESULTS :	2000-2001 Rs.	1999-2000 Rs.
Operating Profit	3162859	5961377
ADD :		
Profit on sale of assets	(145991)	88253
	3016869	6049630
LESS :		
Depreciation	2210089	1831654
Profit before Tax	806779	4217976
Less: Provision for Taxation	188000	1200000
Add: Prior Period adjustment	23383	14148
Profit After Tax	642162	3032124
Balance of profit brought forward from previous year	4823285	3260651
Profit available for Appropriation	5465448	6292785
APPROPRIATION		
General Reserve	NIL	304000
Proposed Dividend	NIL	1050000
Tax on Dividend	NIL	115500
Net Profit Carried to Balance Sheet	5465448	4823285

OPERATIONS :

Automotive industry in general commercial vehical industry in particular is passing through a bad phase. This in turn has shown demand recession and surplus production which has led to price war among the industry players. This has effected our turnover which has shown a decline of 12.41% to Rs. 553.98 Lacs (Previous Year Rs. 632.45 Lacs). In turn net profit after Depreciation & Intrest was



GUJARAT AUTOMOTIVE GEARS LIMITED

lower at Rs. 8.06 Lacs (Previous year Rs. 42.18 Lacs) However exports during the year was Rs. 144.12 Lacs as against Rs. 106 Lacs during previous year showing a growth of 35.96%. For next year with widening of product range for exports and with personal followup with overseas buyers, we are hopeful of achieving much higher export sales in our total turnover where the realisation is also better.

Directors' Responsibility Statement : Your Board States that

- (i) in the preparation of the annual account for the year ended 31st March, 2001, the applicable accounting standard had been followed and there had been no material departures from the said standard.
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments 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, 2001 and of the profits of the company for the year ended on that day.
- (iii) the directors had 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.
- (iv) the directors had prepared annual accounts for the year ended 31st March, 2001 on a going concern basis.

DIVIDEND: The Board does not recommend any dividend for the year ended 31st March 2001.

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

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 observations of the Auditors, if any, 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.

GUJARAT AUTOMOTIVE GEARS LIMITED



COMPLIANCE CERTIFICATE : Secretarial Compliance Certificate of M/S Dinesh Mehta & Co., Practicing Company Secretary as required under the provision of section 383A(1) of the companies Act, 1956 is annexed herewith.

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.

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

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

Place : Kalali, Vadoctara.
Date : 2 05/2001





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)

- | | | |
|----|---|------|
| a) | Specific areas in which R&D carried out by the Company. | None |
| 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. | |

GUJARAT AUTOMOTIVE GEARS LIMITED**2) Technology absorption, adaption and innovation :**

- a) Efforts. in brief made towards technology absorption. adaption and innovation
- b) Benefit derived as a result of the above efforts e.g. product improvement. cost reduction, product development, import substitution etc.
- c) In case of imported technology, imported during the last 5 years reckoned from the beginning of the financial year, following information may be furnished :
1. Technology imported
 2. Year of import
 3. Has technology been fully absorbed ?
 4. If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action

None

Not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports initiative taken to increase exports, development of new export markets for products and services and export plans :

Over two years period the Export Sales has increased substantially with regular folloup visits to various markets for customer services, better level of growth is targetted.

b)	Total foreign exchange used	US \$ 13138.10 (Ind Rs. 6.07 Lacs) P.Y. US \$ 8558.95 (Ind Rs. 6.59 Lacs)
c)	Total foreign exchange earned	US \$ 219638.83 UK £ 5668.00 DM 123800.00 (Ind Rs.133.26 Lakhs) P.Y. US \$ 230821.08 (Ind.Rs.106.00 Lacs)



GUJARAT AUTOMOTIVE GEARS LIMITED

COMPLIANCE CERTIFICATE

To
The Members of
GUJARAT AUTOMOTIVE GEARS LIMITED
Kalali, Baroda 390 012.

We have examined the registers, records, books and papers of Messrs. Gujarat Automotive Gears Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2001 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made thereunder.
3. The company, being a public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met four times respectively on 25-4-2000, 19-07-2000, 14-10-2000 and 12-01-2001 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Books maintained for the purpose.
5. The company closed its Register of Members, from 25-8-2000 to 28-08-2000 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March 2000 was held on 28-08-2000 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary Meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, member or Central Government, as the case may be.

GUJARAT AUTOMOTIVE GEARS LIMITED

12. The company has not issued any duplicate certificates during the financial year.
13. The Company has :
 - i) delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - ii) deposited the amount of interim dividend in a separate bank account on 17-05-2000.
 - iii) paid/posted warrants for dividends to all the members and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with IDBI Bank Ltd. Baroda.
 - iv) duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The appointment of Whole-time Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer or shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and other during the financial year ending is within the borrowing limits of the company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed in duly convened annual general meeting.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.