

GUJARAT AUTOMOTIVE GEARS LIMITED



Gujarat Automotive Gears Ltd.

M. K. Shah
Managing Director

ANNUAL REPORT 2001-2002

GUJARAT AUTOMOTIVE GEARS LIMITED

Registered Office & Factory : KALALI, BARODA - 390 012.

PROXY

I/We _____

of _____

in the district of _____

being a member / members of GUJARAT AUTOMOTIVE GEARS LIMITED

hereby appoint _____

of _____ in the District of _____

_____ or failing him _____

_____ of _____

_____ in the District of _____

_____ as my / our, Proxy to Vote for me / us, on my / our behalf
at the Thirty-first Annual General Meeting of the Company to be held on Thursday, 29th August, 2002

Signed this _____ day of _____ 2002

Register folio No. _____

No. of Shares held _____

Affix 30 P.
Revenue
Stamp

NOTE : This proxy form must be deposited at the Registered Office of the Company at least 48 hours before the time fixed for holding of the meeting. Proxy need not be a member.

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 Thirty first 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 Thursday, the 29th August, 2002 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, 2002 and the Profit and Loss Account for the Year ended on that day and the Directors' and the Auditors' Report thereon.
2. To appoint a Director in place of Shri D.C. Daftary who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri M.D. 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 : 13/07/2002

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, 27/08/2002 To Thursday, 29/08/2002.
3. Members are requested to immediately inform about their change of address, if any, to the Company.

GUJARAT AUTOMOTIVE GEARS LIMITED



DIRECTORS' REPORT

Your Directors have pleasure in presenting the thirty first Annual Report of the Company together with the audited accounts for the year ended on March 31, 2002.

FINANCIAL RESULTS :	2001-2002 Rs.	2000-2001 Rs.
Operating (Loss) / Profit	(863011)	3162859
Profit on sale of assets	NIL	(145991)
	(863011)	3016868
Less : Depreciation	2275030	2210089
(Loss)/Profit for the year	(3138041)	806779
Add : Extra Ordinary Expenses		
Deferred Revenue Expenses (VRS)	669509	NIL
(Loss) / Profit before Tax	(3807550)	806779
Less: Provision for Taxation	NIL	188000
Add :		
Prior Period adjustment	110911	NIL
Other Prior Period adjustment	241648	23383
Provision for Deferred Tax Assets	1120281	NIL
(Loss) /Profit After Tax	(2334710)	642162
Balance of profit brought forward from previous year	5465447	4823285
Net Profit Carried to Balance Sheet	3130737	5465447

OPERATIONS :

Automotive industry in general and commercial vehicle & tractor 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 affected our turnover, which has shown a decline of 26.34% to Rs 408.05 Lacs(Previous Year Rs.553.98 Lacs). In turn, we have made a loss after depreciation and interest



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Rs. (38.08) Lacs (Previous Year profit of Rs 8.06 Lacs). However, exports during the year was Rs.157.12 Lacs as against Rs.144.12 Lacs during previous year showing a growth of 9.02%. For next year, with widening of product range for exports and with personal follow-up with overseas buyers, we are hopeful of achieving much higher export sales in our total turnover where the realization is also better. Also with signs of recovery in domestic market, we are hopeful of achieving higher sales at better realisation.

DIVIDEND:

The Board does not recommend any dividend for the year ended 31st March, 2002.

Directors' Responsibility Statement: Your Board States that

- (i) In the preparation of the annual account for the year ended 31st March, 2002, the applicable Accounting standards had been followed and there had been no material departures from the said standards.
- (ii) The directors had selected such accounting policies and applied them consistently, 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, 2002 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 2002 on a going concern basis.

DIRECTORS:

Shri D.C.Daftary and Shri M.D. Patel 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 accepted deposits u/s 58 A of the Companies Act, 1956 during the year.

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AUDITORS' REPORT:

The observation of the Auditors, if any, is 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.

COMPLIANCE CERTIFICATE:

Secretarial Compliance Certificate of M/s Dinesh Mehta & Co., Company Secretaries as required under the provisions 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 information in accordance with Section 217 (1)(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.

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Place : Kalali, Vadodara.
Date : 13/07/2002

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



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 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, 2002 (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 2.5.2001, 17.7.2001, 25.10.2001 and 28.1.2002 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members, from 3.7.2001 to 7.7.2001 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, 2001 was held on 7.7.2001 after giving due notice to the members of the company and the resolutions passed there 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, members or Central Government, as the case may be.