

GUJARAT AUTOMOTIVE GEARS LIMITED



ANNUAL REPORT 2004-2005

GUJARAT AUTOMOTIVE GEARS LIMITED



DIRECTORS

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

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AUDITORS

M/s. Kanu Doshi Associates, Mumbai.

BANKERS

UNITED BANK OF INDIA

REGISTERED OFFICE & FACTORY

Kalali, Vadodara - 390 012.

GUJARAT AUTOMOTIVE GEARS LIMITED**NOTICE**

NOTICE is hereby given that the Thirty Fourth 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, 3rd September, 2005 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 2005 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 A. H. Patel who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri B. J. Kothari 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 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, Smt. Tejas Kothari be and is hereby reappointed as Whole Time Director of the Company with effect from 1st October, 2005 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.75,000 per month.
2. Perquisites : In addition to salary the following perquisites not exceeding the overall ceiling prescribed under Schedule XIII will be provided to Smt. Tejas Kothari.
 - a) Housing : Rent free accommodation along with benefits of gas, fuel, water, electricity, telephone and municipal tax as also upkeep and maintenance of Company's hired accommodation. If the company does not provide accommodation, the Whole Time 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.



GUJARAT AUTOMOTIVE GEARS LIMITED

- 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 Whole time Director shall also be entitled to the following:

- a) Provident Fund Superannuation Fund: Contribution 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's 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 her tenure as Whole time Director.

Registered Office :

KALALI, VADODARA - 390 012

Date : 11/07/2005

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 27.08.2005 (Saturday) To 03.09.2005 (Saturday)
3. Members are requested to immediately inform about their change of address, if any, to the Company.
4. Explanatory Statement Pursuant to Section 173 of the Companies Act 1956 is annexed here with.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956

Item No. 5 :

Smt. Tejas Kothari was reappointed as Whole Time Director of the Company with effect from 1st October 2000 for a period of 5 Years. Her term of Office as Whole Time Director will Expire on 30th September, 2005, During her tenure as Whole Time director of the Company the Company has made a Very Good Progress.

The Board of Directors proposed to reappoint Smt. Tejas Kothari as Whole time Director of the Company for a period of five years with effect from 1st October, 2005. Smt. Tejas Kothari shall perform such duties and exercise such powers as are entrusted to him from time to time by the Board of Directors of the Company, subject to the Directions and restrictions imposed by the Board.

Smt Tejas Kothari shall be paid remuneration as mentioned in the resolution.

The above may also be treated as an abstract of the terms and condition for her appointment as Whole time Director between the Company and Smt. Tejas Kothari pursuant to section 302 of the Companies Act 1956.

Smt. Tejas Kothari is interested to the extent of remuneration and Mr. Naresh Kothari, Managing Director and Shri B. J. Kothari, Director being relatives of Smt. Tejas 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 : 11/07/2005

By Order of the Board

NARESH KOTHARI

Managing Director



GUJARAT AUTOMOTIVE GEARS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Thirty Fourth Annual Report of the Company together with the audited accounts for the year ended on March 31, 2005.

FINANCIAL RESULTS :	2004-2005 Rs.	2003-2004 Rs.
Operating Profit	6114538	1771546
Add: (Loss)/Profit on sale of assets	(25426)	4489439
	6089112	6260985
Less : Depreciation	2160779	2291801
Profit For the Year	3928333	3969184
Less : Provision for Taxation	565000	235000
Add: Prior Period adjustment	Nil	(305797)
Provision for Deferred Tax Assets / Liabilities	(794827)	868957
Profit After Tax	2568506	4297344
Balance of profit brought forward From previous year	6175065	1877720
Net Profit Carried Forward to Balance Sheet	8743571	6175065

OPERATIONS:

Total Turn over during the year is Rs. 701.53 Lac (Previous Year Rs. 540.32 Lac) showing increase of 29.84% over the previous year. We have made a profit after depreciation and interest of Rs. 39.28 Lac (Previous Year Profit of Rs. 39.69 Lac). Exports during the year was Rs. 545.55 Lac as against Rs. 356.54 Lac during previous year showing a growth of 53.01%

Directors' Responsibility Statement: Your Board States that

- (i) In the preparation of the annual account for the year ended on 31st March, 2005, the applicable accounting standards had been followed and there had been no material departures from the said standard.

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- (ii) The directors had selected such accounting policies and applied 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, 2005 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 and adequate accounting statement 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, 2005 on a going concern basis.

DIVIDEND:

The Board does not recommend any dividend for the year ended 31st March, 2005.

DIRECTORS:

Shri A. H. Patel and Shri B.J. Kothari 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 deposits u/s 58 A of the Companies Act, 1956 during the year.

AUDITORS' REPORT:

The observation of the Auditors, if any, is explained by way of appropriate notes to the accounts.

AUDITORS:

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

SECRETARIAL COMPLIANCE CERTIFICATE:

Secretarial Compliance Certificate of M/s Dinesh Mehta & Co., Company Secretaries as required under the provision of section 383A(1) of the Companies Act, 1956 is annexed herewith.



GUJARAT AUTOMOTIVE GEARS LIMITED

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 Banker for their excellent co-operation and assistance.

for and on behalf of the Board
Naresh Kothari

Managing Director

Place : Kalali, VADODARA.

Date : 11/07/2005

Mrs. T. N. Kothari

Whole Time Director

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 BOARD 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. | } |
| 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 | |

None

