

GUJARAT AUTOMOTIVE GEARS LIMITED

ANNUAL REPORT
2008-2009

GUJARAT AUTOMOTIVE GEARS LIMITED



DIRECTORS

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

AUDITORS

M/s. KANU DOSHI ASSOCIATES, MUMBAI

BANKERS

ICICI BANK LIMITED

REGISTERED OFFICE & FACTORY

KALALI, VADODARA - 390 012.

GUJARAT AUTOMOTIVE GEARS LIMITED



NOTICE

NOTICE is hereby given that the Thirty Eight 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, 5th September, 2009 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 2009 and the Profit and Loss Account for the Year ended on that day and the Directors' and the Auditor's Report thereon.
2. To declare Dividend, if any
3. To appoint a Director in place of Mr M D Patel who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr A H Patel who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 : 29.05.2009

By Order of the Board
Mr. NARESH KOTHARI
Chairman & 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 31st August 2009 (Monday) to 5th September 2009 (Saturday).
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-Eighth Annual Report of the Company together with the audited accounts for the Year ended on March 31, 2009

FINANCIAL RESULTS :	2008-2009	2007-2008
	Rs.	Rs.
Profit	20568179	10003358
Less :		
Profit on sale of assets	25763	154000
Operating Profit	20542416	9849358
Less :		
Depreciation	2717404	2194877
Profit for the Year	17825012	7654481
Less : Provision For Taxation	5533000	2300000
Less :Provision for Deferred Tax Assets / Liabilities	606845	(25343)
Fringe Benefit Tax	253078	202000
Profit After Tax	11432089	5177824
Balance Of Profit Brought Forward From Previous Year	15824280	12392686
Profit Available for Appropriation	27256368	17570510
Less : Proposed Dividend	1050000	1050000
Tax On Proposed dividend	178448	178448
Transferred to General Reserve	1143209	517782
Net Profit Carried Forward to Balance Sheet	24884711	15824280

OPERATIONS:

Total Turn over during the year is Rs.1281.46Lac (Previous Year Rs. 1071.19Lac) showing increase of 19.62% over the previous year. We have made a Profit after depreciation and interest of Rs.178.25 Laces (Previous Year Profit of Rs 76.54 Laces). Exports during the year was Rs.1225.83 Laces as against Rs. 931.10 Lacs during Previous year showing a growth of 31.65%.

Focus on export sales with regular visits to existing customers has lead to increase in volumes as well as better realization and also tapping of new markets has resulted in higher percentage of export sales which will be continued.

GUJARAT AUTOMOTIVE GEARS LIMITED



Director's Responsibility Statement: Your Board States that

- I) In the preparation of the annual account for the year ended on 31st March, 2009 the applicable, accounting standards had been followed and there had been no material departures from the said standard.
- II) The directors had selected such accounting policies and applied it 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, 2009 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 2009 On a going concern basis.

DIVIDEND:

The Board recommends 30% dividend (i.e. Rs 3.00 Per Share) for the year ended 31st March, 2009.

DIRECTORS:

Mr M D Patel and Mr A H 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 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 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

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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A statement containing the necessary information 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 - for their co-operation and assistance.

for and on behalf of the Board

Mr. Naresh Kothari

Chairman & Managing Director

Place : Kalali, BARODA.

Date : 29.05.2009

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 : | N.A. |
| b) Additional investments and proposals, if any, being implemented for reduction of energy : | N.A. |
| 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. | |

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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 :
Export sales has increased substantially due to regular followup visits to various markets, also visit fairs and exhibition for new customers product development.

- | | | |
|----|-------------------------------|--|
| b) | Total foreign exchange used | Rs. 36.38 Lacs
P. Y. (Rs. 23.31 Lacs) |
| c) | Total foreign exchange earned | Rs. 1225.84 Lacs
P. Y. (Ind. Rs. 931.09 Lacs) |

GUJARAT AUTOMOTIVE GEARS LIMITED



COMPLIANCE CERTIFICATE

To
The Members
Gujarat Automotive Gears Ltd.
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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2009 (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 'B' to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure' to this Certificate, with the Registrar of Companies, within the time prescribed under the Act And the rules made there under.
3. The company, being a public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met five times respectively on 12.05.08, 31.07.08, 01.09.2008, 21.10.08 and 17.01.09 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 26.08.2008 to 01.09.2008 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 2008 was held on 01.09.2008 after giving due notice to the members of the company and the resolutions passed therewere duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General 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



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has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.

12. The company has issued duplicate certificates during the financial year.
13. (a) 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 dividend in a separate Bank Account in HDFC Bank and also posted cheques within 30 days from the date of declaration of dividend during the Financial year.
 - iii) duly complied with the requirements of section 217 of the Act.
 - iv) There was no outstanding amount in unpaid dividend account, application money amount due for refund, matured deposit, matured debenture and interest thereon.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional director or alternate directors and directors to fill casual vacancy during the financial year.
15. The company has not appointed any managing director or Whole time Director during the year.
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 during the year.
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 there under.
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, right shares and bonus shares pending registration of transfer or shares.
23. The company has not invited/accepted any deposit including any unsecured loan 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 others during the financial year ending is within the borrowing limits of the company and the 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

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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.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the company during the financial year for offence under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has deposited both employees' and employers' contribution to Provident Fund with prescribed authorities pursuant to the provision of the General Provident Fund and Misc. Act and not under section 418 of the Act.

Place: BARODA

Date : 20/04/2009

for Dinesh Mehta & Co.
Company Secretaries
Sd.

Dinesh Mehta
Proprietor
C. P. No. 2127



GUJARAT AUTOMOTIVE GEARS LIMITED

Annexure 'A'

Registers / record as maintained by the Company :

1. Register of Members u/s 150.
2. Register of contract with Directors etc. u/s 301.
3. Register of Directors' shareholding u/s 307.
4. Register of Directors, Managing Director u/s 301/303.
5. Register. of Charge u/s 143.
6. Minutes Book of the Meetings of the Board of Directors.
7. Minutes Book of the Meetings of the General meetings.
8. Register for issue of Duplicate Share Certificates.
9. Share Transfer Records.
10. Register. of Charge u/s 143.

Annexure B

Forms/Returns filed by Gujarat Automotive Gears Ltd. for the year ended 31.03.2009.

1. Balance sheet as at 31.03.2008 under Form No.23AC & 23ACA filed on 14.09.2008.
2. Annual return upto 10.09.2008 under Form No.20B filed on 29.09.2008.
3. Compliance Certificate for the year ended 31.03.2008 under Form No. 66 filed on 14.09.2008.
4. Form No.32 filed on 20.05.2008.
5. Form No.8 filed on 8.7.2008.

for Dinesh Mehta & Co.

Company Secretaries

Sd.

Mr. Dinesh Mehta

Proprietor

Mem No. 2127

GUJARAT AUTOMOTIVE GEARS LIMITED



AUDITORS' REPORT

To,
The Members of
GUJARAT AUTOMOTIVE GEARS LIMITED

1. We have audited the attached Balance Sheet of GUJARAT AUTOMOTIVE GEARS LIMITED as at 31st March 2009 the Profit and Loss Account and also the Cash Flow Statement 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and according to the information and explanations given to us during the course of the audit and on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the directors, as on 31st March 2009, we report that none of the directors are disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

Place: BARODA
Date : 30/05/2009

for **KANU DOSHI ASSOCIATES**
Chartered Accountants
Mr. Mihir Hindocha
Partner
Mem No. 112766



GUJARAT AUTOMOTIVE GEARS LIMITED

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date on the accounts of GUJARAT AUTOMOTIVE GEARS LIMITED for the year ended 31st March 2009)

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) During the year, the Company has not carried out physical verification of assets. However, Company has phased programme of verification Fixed Asset, which is in our opinion adequate considering the size and nature of the company.
- (c) The Company has not disposed off a substantial part of the fixed assets during the year.
- (ii) (a) We are informed that the physical verification of inventory has been conducted during the year by the management at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to book records.
- (iii) (a) The Company has not granted any loans, secured or unsecured to Companies, firms, or other parties covered in the register maintained under section 301 of the Act. Hence sub clause (a), (b), (c) and (d) of Clause (iii) of the order does not apply to the Company.
- (b) The Company has taken unsecured loans from parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. Sixty lakhs and the year-end balance of loans taken is Rs. NIL.
- (c) In our opinion, the rate of interest on which loans have been taken and other terms and conditions attached to the loan are not, *prima facie*, prejudicial to the interest of the Company.
- (d) In respect of such loans taken by the Company, where stipulations have been made, they have repaid the principal amounts as stipulated and have been regular in payment of interest, where applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (a) The Company has not granted any loans, secured or unsecured to Companies, firms, or other parties covered in the register maintained under section 301 of the Act. Hence sub clause (a), (b), (c) and (d) of Clause (iii) of the order does not apply to the Company.

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- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register to be required to be maintained under that section; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding Rs. 5, 00,000/- in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) The Company has not accepted any deposit from the public during the year.
- (vii) The Company has appointed a Chartered Accountant firm during the year for conducting internal audit. In our opinion, the overall scope of internal audit is adequate considering the size and nature of its business.
- (viii) We have been informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us and on the basis of records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth Tax, Service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (b) There are no dues pending of Income tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and cess on account of dispute except as stated below.

Particulars	Period to which amount relates	Forum where the dispute is pending	Amount (in Rs.)
Income tax	A.Y. 2001-02	High Court	95,679
Income tax	A.Y.1997-98	High Court	1,74,340
Income tax	A.Y.2005-06	Commissioner (A)	3,11,947

- (x) The company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
- (xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.



GUJARAT AUTOMOTIVE GEARS LIMITED

- (xiii) In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
- (xiv) The Company is not dealing in shares, securities, debentures, and other investment and hence the question of maintaining records does not arise.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) The term loans availed by the Company was applied by the Company during the year for the purposes for which the loan was obtained.
- (xvii) On the basis of our examination of the Cash flow statement and overall examination of the balance sheet, we report that the funds raised on short-term basis have not been used for long-term investments.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The company has not issued debentures during the financial year and hence, the question of creating securities or charge in respect thereof does not arise.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) On the basis of our examination.

for **KANU DOSHI ASSOCIATES**

Chartered Accountants

Mr. Mihir Hindocha

Partner

Mem No. 112766

Place: Mumbai

Date : 30.05.09

GUJARAT AUTOMOTIVE GEARS LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31-3-2009 Rs.	As at 31-3-2008 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share Capital	A	3500000	3500000
Reserves and Surplus	B	30942449	20738809
Total Shareholders' Funds		<u>34442449</u>	<u>24238809</u>
LOAN FUNDS :			
Secured Loans	C	9054014	15475853
Unsecured Loans	D	0	6000000
Deferred tax (Refer note no 6 of Sch H)		1406047	799202
		<u>10460061</u>	<u>22275055</u>
Total		<u>44902510</u>	<u>46513865</u>
APPLICATION OF FUNDS			
FIXED ASSETS:			
Gross Block	E	49075042	40928760
Less : Depreciation		29046589	26770494
Net Block		<u>20028453</u>	<u>14158266</u>
CURRENT ASSETS, LOANS & ADVANCES:			
(a) Inventories	F	16775782	19274422
(b) Sundry Debtors		11138614	20086635
(c) Cash & Bank Balances		3444168	2363730
(d) Loans & Advances		8884495	12467274
		<u>40243060</u>	<u>54192060</u>
Less: Current Liabilities & Provisions:	G		
(a) Current Liabilities		14140553	17525574
(b) Provision		1228448	4310887
Net Current assets		<u>24874059</u>	<u>32355599</u>
Total	H	<u>44902510</u>	<u>46513865</u>

NOTES TO ACCOUNTS

As per our attached report of
even date

On behalf of the Board

for **KANU DOSHI ASSOCIATES**

Chartered Accountants

Mr. Mihir Hindocha

Partner

Place :- MUMBAI

Date :- 30.05.2009

Mr. Naresh Kothari

Chairman & Managing Director

Mr. Niranjan Unadkat

Whole Time Director

Mr. A. H. Patel

Director

Place :- VADODARA

Date :- 29.05.2009



GUJARAT AUTOMOTIVE GEARS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year Ended 31-3-2009 Rs	Year Ended 31-3-2008 Rs
INCOME			
Sales and process charges (Gross)	I	135946064	115164370
Less: Excise Duty		(7799581)	(8045447)
Sales and process charges (Net)		128146483	107118923
Other Income	J	4126084	981453
Increase + /Decrease - in Stock	K	(492148)	(1114263)
		131780418	106986112
EXPENDITURE			
Manufacturing Expenses	L	86227373	75267345
Personnel Expenses	M	9646001	9336561
Selling & Distribution expenses	N	4466606	3973968
Administrative Expenses	O	8183271	6646079
Interest	P	2714752	1912801
Depreciation		2717404	2194877
		113955406	99331631
PROFIT/(LOSS) BEFORE TAX		17825012	7654481
Provision for taxation		5533000	2300000
Provision for Deferred Tax Assets (Refer Note No 6 of Sch. H)		606845	(25343)
Provision for Fringe Benefit Tax		253078	202000
PROFIT/(LOSS) AFTER TAX		11432089	5177824
Profit/(Loss) after tax for Appropriation		11432089	5177824
Add : Profit brought forward		15824279	12392686
		27256368	17570510
APPROPRIATION			
Transferred to General Reserve		1143209	517782
Proposed Dividend		1050000	1050000
Income tax on dividend		178448	178448
PROFIT CARRIED FORWARD TO BALANCE SHEET		24884711	15824279

Earning Per Share	Basic -	32.66	14.79
	Diluted - (Refer Note No. 7 of Schedule H)	32.66	14.79

NOTES TO ACCOUNTS

As per our attached report of even date

for **KANU DOSHI ASSOCIATES**

Chartered Accountants
Mr. Mihir Hindocha
Partner

Place :- MUMBAI
Date :- 30.05.2009

H

On behalf of the Board

Mr. Naresh Kothari
Chairman & Managing Director
Mr. Niranjana Unadkat
Whole Time Director
Mr. A. H. Patel
Director

Place :- VADODARA
Date :- 29.05.2009

GUJARAT AUTOMOTIVE GEARS LIMITED



SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31-3-2009 Rs.	As at 31-3-2008 Rs.
A SHARE CAPITAL		
Authorised		
4,25,000 Equity Shares of Rs. 10/- each	4250000	4250000
7,500 9.5 % Cumulative Redeemable Preference Shares of Rs. 100/- each	750000	750000
5,00,000 Unclassified Shares of Rs. 10/- each	5000000	5000000
	<u>10000000</u>	<u>10000000</u>
Issued, Subscribed & Fully Paid up:		
3,50,000 Equity Shares of Rs. 10/- each	<u>3500000</u>	<u>3500000</u>
B RESERVES AND SURPLUS		
General Reserve as per last Balance Sheet	4914529	4733414
Less : Transitional Provision of Gratuity	0	(336667)
Add : Transferred from Profit & Loss Account	1143209	517782
Total General Reserve	<u>6057738</u>	<u>4914529</u>
Profit & Loss Account	<u>24884711</u>	<u>15824280</u>
	<u>30942449</u>	<u>20738809</u>
C SECURED LOANS (From Bank)		
1. Cash Credit	4718569	15422549
2. Packing Credit	0	53304
From Others Deferred credit	4335445	0
Note :- Cash Credit & Packing Credit Secured by		
1. (a) Exclusive charge in favour of the bank by way of hypothecation of the company's entire stocks of raw materials, semi-finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank		
(b) First charge on all of the company's assets, including all immoveable and moveable fixed assets, save and except vehicles taken on finance from other banks/financial institutions, both present and future, located at Kalali Baroda-390 012, India having WDV of Rs. 10.04 mn as on 31.03.06		
(c) Exclusive mortgage & charge, in a form and manner satisfactory to the bank, on factory Land & Building situated at Kalali, Baroda- 390 012, owned and occupied by Gujarat Automotive Gears Ltd.		
Valued at Rs. 10.0 mn.		
2. Deferred credits are secured against CNC Hobbing Machine Repayable within a year Rs. 11,10,673.07 (Previous Year: NIL)		
3. The Company has repaid all secured loan except Rs. 4335445/- after the balance sheet date. there are no Charges on the Assets of the Company Except as mention in note (2) above		
	<u>9054014</u>	<u>15475853</u>



GUJARAT AUTOMOTIVE GEARS LIMITED

SCHEDULE - E FIXED ASSETS

Sr. No.	Particulars	Gross Block			
		As at 01-04-2008	Addition during the year	Deduction during the year	As at 31-03-2009
1	LAND & BUILDING				
	Land	96129	-	-	96129
	Factory Building	892895	-	-	892895
	Other Civil Construction	992737	-	-	992737
	Road and Service	63308	-	-	63308
	Tube Well	26316	-	-	26136
2	FURNITURE & FIXTURE				
	Furniture, Fixture, Fittings	266580	-	4035	262545
3	PLANT & MACHINERY				
	Plant and machinery	28777598	7794950	-	36572548
	Laboratory Equipment	51784	-	-	51784
	Electrical installation	723203	-	-	723203
	Air conditioner & water cooler	786224	31000	-	817224
	Factory Equipment	87595	-	-	87595
	Office Equipment	440055	-	-	440055
	Vehicle	5835891	-	31070	5804821
	Tempo	754916	808678	630776	932818
	Computer	993129	177535	-	1170664
	INTANGIBLE ASSETS				
	Computer Software	140400	-	-	140400
	TOTAL	40928760	8812163	665881	49075042
	PREVIOUS YEAR TOTAL	37164111	3868605	103956	40928760

GUJARAT AUTOMOTIVE GEARS LIMITED



Depreciation			Net Block		
Upto 31-03-2008	Adj. on A/c of Sales of Assets	Provided for the Year	Upto 31-03-2009	As at 31-03-2009	As at 31-03-2008
-	-	-	-	96129	96129
838784	-	5411	844195	48700	54111
209671	-	15185	224856	767881	783066
53217	-	505	53722	9586	10091
13025	-	665	13690	12626	13291
192414	1731	11384	202067	60478	74166
21889148	-	1805012	23694160	12878388	6888450
50163	-	1621	51784	-	1621
488645	-	24189	512834	210369	234558
356214	-	34250	390464	426760	430010
80138	-	708	80846	6749	7457
184053	-	18755	202808	237247	256002
1102473	18455	553795	1637813	4167008	4733418
435523	421123	89798	104198	828620	319393
783426	-	109332	892758	277906	209703
93600	-	46795	140395	5	46800
26770494	441309	2717404	29064589	20028453	14158266
24679573	103956	2194877	26770494	14158266	12484540



GUJARAT AUTOMOTIVE GEARS LIMITED

	As at 31-3-2009 Rs.	As at 31-3-2008 Rs.
D UNSECURED LOAN		
From Directors	0	6000000
(Repayment within a Year Rs. NIL, Previous Year Rs. 60,00,000)		
	<u>0</u>	<u>6000000</u>
F CURRENT ASSETS, LOAN & ADVANCES		
A. CURRENT ASSETS		
(I) INVENTORIES		
(Taken, valued and Certified by the Management)		
(1) Raw Material	1325052	3080132
(2) Semi-finished goods	7451643	9733905
(3) Finished goods	4773688	3688565
(4) Raw Material Components	500131	302380
(5) Scrap	1821614	1116624
(6) Stores & Spares including packing material	903654	1352816
	<u>16775782</u>	<u>19274422</u>
(II) SUNDRY DEBTORS		
(Unsecured, considered Good)		
(1) Outstanding for a period exceeding six months	40604	50850
(2) Others	11098010	20035785
	<u>11138614</u>	<u>20086635</u>
(III) CASH & BANK BALANCES		
(1) Cash on hand	49919	104379
(2) Balance with Scheduled bank in current a/c	3073027	1182778
(3) Balance with Scheduled bank in Fixed deposit a/c	307192	0
(4) Balance with Scheduled bank in Fixed deposit a/c	14030	1076574
(Margin Money)		
	<u>3444168</u>	<u>2363730</u>

GUJARAT AUTOMOTIVE GEARS LIMITED



	As at 31-3-2009 Rs.	As at 31-3-2008 Rs.
(B) LOANS & ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
(1) Advance for Supplies & Services	103636	302213
(2) Deposits with Government, Public bodies and other Advances	521264	520079
(3) Central Excise	3673774	3745969
(4) Pre-paid expenses	114247	216451
(5) Payment of Income-tax (net)	2705487	4893512
(6) Export Benefit Recievable	634000	0
(7) Sales Tax Set Off Receivable	1132087	2638664
(8) Other Advance	0	26875
(9) Lic Group Gratuity (Current year Rs. NIL & P.Y. Rs. 336667)	0	123511
	8884495	12467274
	40243060	54192061
G CURRENT LIABILITIES & PROVISIONS		
A) LIABILITIES		
(1) Sundry Creditors (refer to Note No. 11 In Schedule 'H')	11201823	14149474
(2) Other Liabilities	2813256	3321306
Investor Education and Protection Fund shall be credited by the following (See Note below)		
(3) Unclaimed Dividend	125474	54794
Note : Amount to be transferred to said fund shall be determined on the respective due dates.	14140553	17525574
(B) PROVISIONS		
(1) Taxation (net)	0	3082439
(2) Proposed Dividend	1050000	1050000
(3) Income Tax On Dividend	178448	178448
	1228448	4310887
I INCOME		
Sales & Process charges		
1. Sales	127994433	106790543
2. Process Charges	152050	328380
Add: Excise Duty	7799581	8045447
	135946064	115164370



GUJARAT AUTOMOTIVE GEARS LIMITED

	Year Ended 31-3-2009 Rs.	Year Ended 31-3-2008 Rs.
J OTHER INCOME		
1. Scrap Sales	329780	150695
2. Excess Provision Written back	0	7947
3. Foreign Exchange Fluctuation	3092429	20986
4. Interest Received (TDS Rs. 11910.75) (PY. Rs. 10499)	44112	125136
5. Misc. Income	0	522689
6. Export Benefit Recieved	634000	0
7. Profit(+)/Loss(-) on sale of Fixed Assets	25763	154000
	<u>4126084</u>	<u>981453</u>
K INCREASE(+) /DECREASE(-) IN STOCK		
OPENING STOCK :		
Finished Goods	3688565	3533966
Semi-Finished goods	9733905	11326229
Scrap	1116624	793162
	<u>14539093</u>	<u>15653357</u>
Less : CLOSING STOCK :		
Finished Goods	4773688	3688565
Semi-Finished goods	7451643	9733905
Scrap	1821614	1116624
	<u>14046945</u>	<u>14539094</u>
	<u>(492148)</u>	<u>(1114263)</u>
L MANUFACTURING EXPENSES		
Raw material consumed	45075667	35353434
Raw material Components consumed	21239504	22210151
Stores & spares consumed	2941323	2326553
Packing material consumed	3755280	2967973
Process charges	7879963	7595156
Power & Fuel Consumed	2345769	2422768
Repair to Plant & Machinery	1218848	114703
Repairs to Building	964613	247329
Repairs to others	192899	43611
Excise Duty on Finished Goods (Net)	(106775)	(3361)
Freight Inward & Octroi	404207	1716138
Import Duty	316075	272889
	<u>86227373</u>	<u>75267345</u>

GUJARAT AUTOMOTIVE GEARS LIMITED



	Year Ended 31-3-2009 Rs.	Year Ended 31-3-2008 Rs.
M PERSONNEL EXPENSES		
Salary, Wages & Gratuity (including - provision for bonus & gratuity)	9368533	9082128
Contribution to Provident & other funds	271074	247045
Employees Welfare Expenses	6394	7388
	9646001	9336561
N SELLING AND DISTRIBUTION EXPENSES		
Freight outwards	3119096	2757322
Commission & Discount	1321593	1147474
Advertisement	26482	22180
Service Tax	0	23231
Sales Promotion	(565)	23760
	4466606	3973968
O ADMINISTRATIVE EXPENSES		
Insurance	471102	321383
Rates & Taxes	303601	148812
Postage, Telephone & Telegram	406977	419977
Printing & Stationery	250470	236757
Vehicle Running & Maintenance	1101870	677841
Travelling & Conveyance	3480360	2425019
Directors' Sitting Fees	8500	8500
Sundry Expense	316520	753552
Bad Debts	24458	0
Legal & Professional Fees	382778	340714
Excess Provision Written off	0	286415
Payment to Government	262783	245474
Auditors' remuneration	59913	55955
Investment Written off	0	22500
Bank & Finance charges	1113939	703179
	8183271	6646079
P INTEREST		
Bank	1542093	1242642
Directors	385071	661808
Others	787588	8351
	2714752	1912801



GUJARAT AUTOMOTIVE GEARS LIMITED

H. NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A) ACCOUNTING: -

- (i) The financial statements have been prepared in compliance with all material aspects with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (ii) Financial statements are based on historical cost and are prepared on accrual basis except otherwise stated.

B) USE OF ESTIMATE

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C) FIXED ASSETS: -

Fixed assets are stated at cost less accumulated depreciation. In respect of Fixed assets acquired under deferred payment schemes, the cost is exclusive of Interest.

D) DEPRECIATION: -

- i. Depreciation on fixed assets brought into use after 31st March, 1995 is calculated on the straight line method, whereas for assets brought into use before 31st March, 1995, it is computed on written down value method. In either case, depreciation has been provided at the rates prescribed under Schedule XIV of the Companies Act, 1956.
- ii. In respect of assets acquired/sold during the year, depreciation is provided on a Pro-rata basis with reference to the period for which the asset was put to use during the year. Depreciation on multiple shift working has been provided in accordance with Schedule XIV of the Companies Act, 1956.

E) SALES: -

Sales are shown exclusive of Excise and Sales tax.

F) EMPLOYEE BENEFITS: -

(I) GRATUITY: -

Defined Benefit obligation plans – The present value of the obligation under such plans is determined based on an actuarial valuation, using the projected Unit Credit Method.

Actuarial gains and losses arising on such valuation are recognized immediately in the profit & loss A/c, in case of gratuity, which is funded with the Life Insurance Corporation Of India, the fair value of the plan assets is reduced from the gross obligation under defined benefit plans to recognize the obligation on net basis.

(II) LEAVE SALARY: -

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Provision for leave encashment is based on actuarial valuation of the liability arising on cessation/termination of service of the employee.

G) EXPORT BENEFITS: -

Export benefits are accounted for on mercantile basis.

H) EXCISE DUTY: -

Liability for excise duty is provided in the accounts for goods manufactured and lying in factory premises at year end.

I) CENVAT: -

CENVAT benefit is accounted for on accrual basis on purchase of materials and appropriated against payment of excise duty on clearance of finished goods.

J) FOREIGN CURRENCY TRANSACTIONS: -

- i. Transactions in foreign exchange are accounted for at the exchange rate prevailing on the date the transaction takes place. Gains and losses arising out of fluctuations in the exchange rates are accounted for at the year end or on realization.
- ii. Monetary items denominated in foreign currencies at the balance sheet date are translated at the balance sheet date rates.

K) STOCK IN TRADE: -

- (i) Raw materials are valued at lower of cost Or Net Realizable Value. Cost is determined on FIFO basis.
- (ii) Work-in-progress and finished goods are valued at cost of materials plus appropriate share of labor and Overheads or Net Realizable value, Whichever is lower.
- (iii) Finished goods are valued at cost or market value whichever is Lower. Cost is arrived at on full absorption basis.
- (iv) Scrap is valued at estimated net realizable value.
- (v) Stock of stores, spares and packing materials are valued at cost or Net Realizable Value, Whichever is lower.

L) Provision for Tax :

Provision for current Tax is made on the taxable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognized for the future tax consequences attributable to timing difference between the financial statement, determination of income and their recognition for tax purposes. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in income using the tax rates and tax laws that have been enacted or Substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

M) Impairment of Assets:

The Carrying Value of assets is reviewed for impairment, when events or change in circumstance indicating that carrying values may not be recoverable. In addition, at each balance sheet date,



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the company assesses whether there is any indication that an assets may be impaired. If any such indication exists. the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and Value-in-Use. In assessing Value-in-use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

N) Intangible:

Software are amortized over a period of three years.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR:

- Bank Guarantee Rs.50,000/-(Previous Year: Rs. 10,55,000/-).
- Disputed Income tax Liabilities Rs. 21,76,051/- (Previous Year 2389175/-)
- 3. The company has subscribed to a Group Gratuity Scheme of the Life Insurance Corporation of India. During the year premium amounting Rs. 46,499/- has been paid towards the current liability.
- 4. In the opinion of the Board, the current Assets, Loans and Advances have a value on realization in the ordinary course of the business at least equal to the amount of which they are stated.
- 5. The management information system of the company identifies & monitors Auto Parts As the business Segment. In the opinion of the management, the company is primarily engaged in the business of automotive parts, as the basic nature of these activities are governed by the same set of risk and returns; these constitute and have been grouped as single segment as per AS 17 dealing with segment reporting. Secondary segment reporting is on the basis of geographical location of the customers.

Performanace of Business Segment is as follows

	2009 (Rs.)	2008 (Rs.)
Revenue		
Sales	128146483	107118923
Segment Result Profit	16413680	8125652
Interest expenses	2714752	1912801
Other income	4126084	981453
Income Tax	6392923	2476657
Profit from Ordinary Activities	11432089	5177824
Net Profit	11432089	5177824
Other Segment information		
Capital Expenditure (Net)	8812163	3868605

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Depreciation and amortization	2717404	2194877
Non Cash Expenses other than depreciation	-	-
Particulars of Segment Assets and Liabilities		
Segment Assets	57119329	62325446
Investment	—	—
Bank Deposit	321222	1076574
Other Assets	2830961	4948306
Total Assets	60271512	68350326
Segment Liabilities	23069093	32946632
Other Liabilities	1531521	11164883
Total Liabilities	24600614	44111515

Geographic Segment

Revenue Attributable to location of the customers is as follows

Geographic Location	2009	2008
	Rs in Lacs	Rs in Lacs
USA	167.13	122.02
Europe	759.68	569.55
Gulf Countries	70.07	74.51
Far East	157.14	109.75
Srilanka	63.44	50.71
Others	63.98	144.65
Total	1281.46	1071.19

06. The Break up of Deferred tax Assets/Liabilities is as under:

Deferred Tax:	Opening Balance 01/04/2008	Current year	Closing Balance 31/03/2009
Deferred Tax Assets on Account of :			
(i) Employee Benefit	344918	(44968)	299950
Total (A)	344918	(44968)	299950
Deferred Tax Liability on Account of			
(i) Depreciation	1091774	614222	1705996
(ii) Profit on Sale of Fixed Assets	52345	(52345)	—
Total (B)	1144118	561877	1705996
Net Deferred Tax Assets/ (Liability)(A-B)	(799201)	(606845)	(1406046)



GUJARAT AUTOMOTIVE GEARS LIMITED

07. Computation of Profit for Earning per Share:

	Year ended 31st March 2009	Year ended 31st March 2008
Profit for the Year after tax	11432089	5177824
No. of Shares	350000	350000
Nominal value per share in Rupees	10.00	10.00
Basic and Diluted earning per share	32.66	14.79

8. Related party disclosure as required by AS 18 issued by ICAI.

Sr. No.	Name of the Related Party	Nature of Payment	Amount Rs.	Outstanding
1.	Key Management Personnel :			
1.	Shri Naresh Kothari	Interest	2,27,534/-	Nil
	Chairman & Managing Director		(3,30,904)	(NIL)
		Remuneration	11,28,985/-	75,000/-
			(11,32,554)	(NIL)
2.	Smt. Tejas Kothari	Interest	51456	NIL
	Director		(88242)	(NIL)
		Sitting Fees	2000	(NIL)
3.	Shri Niranjana P. Unadkat	Remuneration	4,81,253/-	40,000/-
	(Whole time Director)		(4,40,000/-)	
4.	Loans Outstanding	Naresh Kothari		NIL
		(Credit Balance)		(30,00,000)
		Tejas Kothari		NIL
		(Credit Balance)		(8,00,000)
2.	Others : Relative of Key Management Personnel :			
1.	Shri B J Kothari	Interest	1,06,081/-	NIL
			(2,42,662)	(NIL)
3.	Loans Outstanding	Shri B J Kothari		NIL
		Credit Balance		(22,00,000)

Note : Related parties are identified by the management and relied upon by Auditors.

GUJARAT AUTOMOTIVE GEARS LIMITED



9. Directors' Remuneration (included in personnel expenses) as Minimum remuneration :-

	2008-2009	2007-2008
Salary	1380000	1340000
Housing Accommodation	115500	112500
P.F.	18720	18720
Perquisites	97755	115711
Club Fees	16983	10113
	<u>1528958</u>	<u>1597044</u>

10. Auditors' Remuneration :-

	2008-2009	2007-2008
Audit Fees	35000	35000
Other matters	10000	10000
Expenses	19913	10955
	<u>64913</u>	<u>55955</u>

11. As the company does not have information as to which of its creditors are registered under The Micro, Small and Medium enterprises Development Act, 2006, no disclosure as required by the said Act is given.

12. Additional information required under Schedule VI of the Companies Act, 1956.

(1) Manufacturing Operation :

Sr. No.	Particulars	Actual Installed Capacity	Actual Prodn.	Opening Stock		Closing Stock	
			Qty. in Nos./Sets	Qty. in Nos./Sets	Value Rs.	Qty. in Nos./Sets	Value Rs.
1.	Transmission Gear	800 TONS	9772 (10999)	6383 (6967)	2539969 (2635316)	5069 (6383)	3053851 (2539969)
2.	Other Item		513358 (507056)	8974 (15598)	1148596 (898650)	13441 (8974)	1719837 (1148596)

1. Figures in brackets pertain to the previous year.

(2) Turnover

2008-2009

Nos/Sets

Qty	Rs.
I. Transmission Gears	11086
ii. Other items	508891
iii. Other process work	-
	<u>51997</u>
	<u>128146483</u>

2007-2008

Nos/Sets

Qty.	Rs.
I. Transmission Gears	11583
ii. Other items	513680
iii. Other process work	-
	<u>525263</u>
	<u>107340669</u>



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(3) Raw materials Consumed

	2008-2009		2007-2008	
	Nos/ Qty.	Rs.	Nos/ Qty.	Rs.
Forgings/Blanks	* 13676	3802446	11455	2082192
Other items	471079	41273222	2248857	15825558
	484755	45075668	2260312	35353433

* Above includes production loss

(4) Particulars of imported and indigenous tools, spares and stores Consumed :

	2008-2009		2007-2008	
Raw Material				
Imported	NIL	-	NIL	-
Indigenous	4,50,75,668	100%	3,53,53,433	100 %
	4,50,75,668	100%	3,53,53,433	100 %
Stores/Components	Rs.	%	Rs.	%
Imported	27,46,731	11.35%	25,29,583	10.31%
Indigenous	2,14,15,624	88.65%	2,20,07,121	89.69%
	2,41,80,827	100.00%	2,45,36,704	100%

13. Detail of foreign exchange earned & spent during the year:

- i) F.O.B. Value of Export Rs.12,25,83,879/-(Previous Year: Rs. 9,31,09,833/-)
- ii) Foreign Exchange spent on Foreign Traveling Equivalent in Indian currency: Rs 22,46,810/-(Previous Year: Rs.14,72,569/-)& Commission Rs.12,41,801/- (Previous Year: Rs.10,18,608/-) Imported Components Rs.15,58,451/-(Previous Year: Rs. 18,93,613), Bank Charges Rs 150479/-(Previous Year Rs. 70386/-)

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14. Employee Benift

A) Defined Benefit plans as per actuarial Valuation on 31.03.2009

Sr. No	PARTICULARS	Rs. (2008-2009)	Rs. (2007-2008)
		Gratuity Funded	Gratuity Funded
I	Expenses recognized in the statement of profit & Loss for the year end 31.March.2009		
1	Current Service Cost	44,381	1,03,596
2	Interest Cost	96,072	1,13,112
3	Employee Contribution	-	-
4	Expected Return on Plan Assets	(1,18,289)	79,130
5	Net Actuarial (Gain/ Losses)	(20,093)	(1,56,592)
6	Past Service Cost	-	-
7	Settlement Cost	-	-
8	Total Expenses	2,071	2,94,170
II	Net Asset/ Liability recognized in the Balance Sheet As at 31.March.2009		
1	Present Value of Defined Benefit Obligation as at 31.March ,2008	13,04,959	12,00,903
	Fair Value of Plan Assets as at 31,March ,2009	14,69,509	13,24,414
2	Funded status [Surplus / (Deficit)]	1,64,546	1,23,511
3	Net Assets/(liability) as at 31,March,2009	1,64,546	1,23,511
III	Chang in Obligation During the year Ended 31,March,2009		
1	Present Value of Defined Benefit Obligation at beginning of the year	12,00,903	15,08,160
2	Current Service cost	44,381	1,03,596
3	Interest Cost	96,072	1,13,112
4	Settlement Cost	-	-
5	Past Service Cost	-	-
6	Employee contribution	-	-
7	Actuarial (Gain) /n Losses	(20,093)	(1,56,592)
8	Benefits Payments	(16,304)	(3,67,373)
9	Present Value of Defined Benefit obligation at the end of the year	13,04,959	12,00,903
IV	Chang in Assets During the year ended 31,March, 2009		
1	Plan Assets at the Beginning of the year	13,24,414	11,71,493
2	Assets acquired on amalgamation in previous year	-	-
3	Settlements	-	-



GUJARAT AUTOMOTIVE GEARS LIMITED

4	Expected return on plan assets	1,18,289	79,130
5	Contribution By Employer	43,106	4,41,164
6	Actual Benefits Paid	(16,304)	(3,67,373)
7	Actuarial (Gain)/Losses	-	-
8	Plan Assets at the end of the year	14,69,505	13,24,414
9	Actual return on plan assets	1,18,289	79,130
V	The major categories of plant Assets as a percentage of total plan Qualifying Insurance Policy	Yes	Yes
VI	Actuarial Assumption		
	Discount Rates	8%	7.50%
	Salary Escalation	7%	7%

Notes : During the Year the company has adjusted Rs. NIL (Previous Year 336667) against General Reserve on account of Gratuity Provision in compliance with transitional provisions as laid down in revised AS-15 issued by ICAI.

(B) Provision towards Liabilities For Leave Encasement made on the Basis of Actuarial Valuation as per Accounting Slandered 15(Revised). Actuarial Value of Liabilities is Rs. 1713775/- based upon following assumption

Discount Rates 7.00%

Salary Escalation 5.00%

15. Corresponding figures for the previous year have been regrouped/recast/rearranged Wherever necessary.

16. Sundry Debtors, Creditors and loans and advances are subject to confirmation and reconciliation, if any.

As per our attached report of
even date

On behalf of the Board

for **KANU DOSHI ASSOCIATES**

Chartered Accountants

Mr. Mihir Hindocha

Partner

Mr. Naresh Kothari

Chairman & Managing Director

Mr. Niranjan Unadkat

Whole Time Director

Mr. A. H. Patel

Director

Place :- MUMBAI

Date :- 30.05.2009

Place :- VADODARA

Date :- 29.05.2009

GUJARAT AUTOMOTIVE GEARS LIMITED



Part IV of Schedule VI of the Companies Act, 1956

Registration No. L2930GJ1971PLC001866 State Code 04

Balance Sheet Date 31st March, 2009

I. Capital Raised during the Year (Amount in Rs. Thousand)

Public Issue NIL Rights Issue NIL

II. Position of Mobilisation and Deployment Funds (Amount in Rs. Thousand)

Total Liabilities 60271 Total Assets 60271

III Sources of Funds

Paidup Capital 3500 Reserves & Surplus 32170

Secured Loans 9054 Unsecured Loans & NIL

IV Application of Funds

Deferred tax 1406

Net Fixed Assets 20028 Investment NIL

Net Current Assets 26102 Misc. Expenditure NIL

Accumulated Losses NIL

V. Performance of Company (Amount in Rs. Thousand)

Turnover 132272 Total Expenditure 114447

Profit/Loss Before Tax 17825 Profit/Loss After Tax 11432

Earning Per Share in Rs. 32.66 Dividend Rate 30%

IV. Generic Names of Three Principal Product/Services of Company (as per monetary terms)

Item Code No.(ITC Code) 870899

Product Description Parts & Accessories of Motor Vehicle

As per our attached report of even date

On behalf of the Board

Mr. Naresh Kothari
Chairman & Managing Director
 Mr. Niranjana Unadkat
Whole Time Director
 Mr. A. H. Patel
Director

Place :- VADODARA
 Date :- 29.05.09



GUJARAT AUTOMOTIVE GEARS LIMITED

Cash flow Statement for Gujarat Automotive Gears Limited (Rs. in lacs)

A. Cash Flow from Operating Activities :	Current Year	Previous Year
Net Profit After Tax and Extraordinary Items	(+)114.32	(+) 51.78
ADJUSTMENT FOR :		
Depreciation	(+) 27.17	(+) 21.95
Interest/Dividend	(+) 27.15	(+) 19.13
Other	(-) 0.26	(-) 1.54
Differed Tax Liability / Assets	(+) 6.07	(-) 0.25
Total	(+) 60.13	(+) 39.29
Operating Profit Before Working Capital changes		
ADJUSTMENTS FOR :		
Trade & Other Receivables	(+)128.41	(-) 68.06
Inventories	(+) 24.99	(+) 9.19
Trade Payables	(-) 64.67	(+) 38.79
Total	(+) 88.73	(-) 20.08
Cash Generated from Operations	(+)263.18	(+) 70.99
Interest Paid	(-) 27.15	(-) 19.13
Direct Taxes Paid	(-) 3.11	(-) 50.86
Total	(-) 30.26	(-) 69.99
Cash Flow Before Extraordinary Items		
<u>Requirements for Cash Flow Statement</u>	(+)232.92	(+) 1.00
Net Cash from Operating Activities	(+)232.92	(+) 1.00
Misc. Exp.	NIL	NIL
Net Cash flow	(+)232.92	(+) 1.00
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(-) 88.12	(-) 38.69
Sale of Fixed Assets	(+) 2.50	(+) 1.54
Acquisitions of Companies	NIL	NIL
Purchase of Investments	NIL	NIL
Sale of Investments	NIL	(+) 0.23
Interest Received	NIL	NIL
Dividend Received	NIL	NIL
Net Cash used in Investing Activities	(-) 85.62	(-) 36.92
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	NIL	NIL

GUJARAT AUTOMOTIVE GEARS LIMITED



Proceeds from Long Term Borrowings	(-) 64.22	(+) 44.70
Repayment of Finance/Lease Liabilities	NIL	(-) 3.53
Proceed of Un secured Loan	(-) 60	NIL
Dividend Paid (Including Dividend distribution tax)	(-) 12.28	(-) 7.00
Net Cash used in Financing Activities	(-) 136.50	(+) 34.16
Net Decrease in Cash and Cash Equivalents	(+) 10.80	(-) 1.76
Cash and Cash Equivalents As At 1.4.2008 Rs.	(+) 23.64	(+) 25.40
(Opening Balance)		
Cash and Cash Equivalents As At 31.3.2009 Rs.	(+) 34.44	(+) 23.64
(Closing Balance)		

For On behalf of the Board

Mr. Naresh Kothari
Chairman & Managing Director

Mr. Niranjan Unadkat
Whole time Director

Mr. A. H. Patel
Director

Place : BARODA
Date : 29.05.2009

To,
The Board of Directors,
Gujarat Automotive Gears Limited
Kalali, Baroda - 390 012.

We have examined the above Cash flow statement of Gujarat Automotive Gears Limited for the year ended 31st March, 2009. The statement has been prepared by the Company in accordance with the requirements of listing agreement, Clause 32 with Bombay Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

for **KANU DOSHI ASSOCIATES,**
Chartered Accountants
Mr. Mihir Hindocha
Partner

Place : Mumbai
Date : 30.05.2009

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-Eight General Meeting of the Company to be held on 5-09-2009

Signed this _____ day of _____ 2009

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.