ADITYA GEARS LTD.

ANNUAL REPORT
2009 - 2010

BOARD OF DIRECTORS	ASHOK KUMAR HARLALKA, *Chairman & Managing Director* SUNITA HARLALKA ANANT VEER HARLALKA
BANKERS	ORIENTAL BANK OF COMMERCE BANK OF INDIA
REGISTRARS	MAHESHWARI DATAMATICS PVT. LTD. 6, MANGOE LANE, 2ND FLOOR KOLKATA - 700 001
AUDITORS	G. AGARWAL & ASSOCIATES *Chartered Accountants*
REGISTERED OFFICE	21, PRINCEP STREET 1ST FLOOR KOLKATA - 700 072
FACTORY	PLOT NO. A-1164, PHASE IV RIICO INDUSTRIAL AREA BHIWADI - 301019 (RAJASTHAN)

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of ADITYA GEARS LTD. will be held at 21, Princep Street, Kolkata - 700 072 on Friday, the 27th day of August, 2010 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Reports of the Auditors and Directors thereon.
2. Sri Anant Veer Harlalka, retires as Director and being eligible, offers himself for re-appointment as Director of the Company.
3. To appoint Auditors and to fix their remuneration.
4. To transact such other business as may be transacted at the Annual General Meeting.

For and on behalf of the Board
ASHOK KUMAR HARLALKA
Chairman and
Managing Director

Place : Kolkata
The 30th day of June, 2010

IMPORTANT NOTES :

1. The Register of Members of the Company will remain closed from 23rd August, 2010 to 27th August, 2010 (both day inclusive).
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and on a poll only to vote instead of him. Such Proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. Members are advised to send all correspondence/documents only to the Share Department at the Registered Office of the Company. The Company does not take any liability or responsibility whatsoever for correspondence / documents sent to any other address.
4. Entry will be strictly on production of Attendance Slip.
5. As a measure of economy, Members/proxies are requested to bring their copy of the Annual Report at the meeting. No Annual Report will be distributed at the meeting.
6. Members are requested to send their queries, if any, on the workings of the Company at least 7 days before the meeting so as to enable the management to workout on the queries and give suitable answer to the extent possible, at the meeting.

DIRECTOR'S REPORT

To The Members
ADITYA GEARS LTD.

Your Directors present the 15th Annual Report of your Company along with the Audited Statement of Accounts for the Financial Year ended March 31, 2010.

FINANCIAL RESULTS

The Financial Results are stated as under :

PARTICULARS	Year Ended 31.03.2010 (Rs. in Lacs)
Sales & Operating Income	14.27
Other Income	19.47
Gross Loss before Interest, Depreciation and Taxation	(5.02)
Interest & Finance charges	Nil
Gross Loss after Interest but before Depreciation and Taxation	(5.02)
Depreciation	19.97
Provision for Taxation	Nil
Provision for Fringe Benefit Tax	Nil
Net Loss	(24.99)

OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK

The Bank had already served notice on SARFASI in March, 2010. We have to sell the Fixed Assets to meet the payment obligations of the bankers. We will plan our renewed activities once we are able to come out of this non performing scenario. The new activities with renewed vigour will be undertaken for reviving the future prospects of the Company. We request shareholders to pay Call Money arrears which will help in the renewed activities.

DIVIDEND

Your Directors did not recommend any dividend for the year under review.

EXPORTS

The present market condition are not conducive for the export markets and will explore the future opportunities.

CALL MONEY ARREARS

We request the Share Holders to clear the Call Money who have not done so yet. The Company urgently needs Capital at this point to achieve the growth emerging from the forthcoming opportunities. The Call Money collection will definetely help to achieve the results of the Company. The immediate action will be appreciated.

FINANCE

The Company needs fresh inflow of fund to meet the current capital need. The Board will also

consider selling of its Fixed Assets as the situation warrants to meet its commitments to bank and restructure the future activities.

CONSERVATION OF ENERGY

The thrust on energy conservation continues and necessary measures for optimization of energy consumption have been taken.

PARTICULARS OF EMPLOYEES

None of the employees are covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

Mr. Anant Veer Harlalka, retires by rotation as a Director and being eligible, offers himself for re-appointment as Director of the Company.

AUDITORS

M/s.G. Agarwal & Associates, the retiring Auditors, have expressed their willingness for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of section 217 (2AA) of the Companies Act, 1956 :

a) That in the preparation of the Annual Accounts for the year ended 31st March' 2010, the applicable accounting standards have been followed ;

b) That such accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March' 2010, and of the profit of the company for the year ;

c) That proper and sufficient care has been taken 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 ;

d) That the Annual accounts for the year ended 31st March' 2010 have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

The Board of Directors expressed their sincere gratitude to its employees, suppliers, share holders, bankers and other government agencies for their continued support.

For and on behalf of the Board
ASHOK KUMAR HARLALKA
Chairman and
Managing Director

Place : Kolkata
The 30th day of June, 2010

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

1. Company's Philosophy on Code of Governance

The Company' Philosophy on Code of Governance envisages attainment of highest level of transparency, accountability, empowerment and ethical business conduct across all facets of its operations. The Company aspires to be a responsible partner acting with integrity towards its shareholders, customers, employees, the government and its business associates.

2. Board of Directors

Composition

The Board of Directors of the Company is as follows :

Name of Directors	Category	Attendance Particulars		Other Board representation Directorship #
		Board .Meetings	Last AGM	
Sri Ashok Kumar Harlalka Chairman and M. D.	Executive	9	Yes	Nil
Smt. Sunita Harlalka	Non-Executive	9	Yes	Nil
Sri Anant Veer Harlalka	Non-Executive	9	Yes	Nil

Directorship in private limited company is not considered.

Nine Board meetings were held during the financial year 2009-2010. They were held on 30th April '2009, 30th June '2009, 31st July '2009, 4th September '2009, 30th September '2009, 30th October '2009, 18th Deeember '2009, 29th January '2010 and 31st March '2010. The maximum time gap between any two meetings was not more than four calender months.

3. AUDIT COMMITTEE

The term of reference of this committee cover the matter specified for Audit Committee under clause 49 of the Listing Agreement.

COMPOSITION

The Audit Committee of the Company Comprises two Directors, who possess knowledge of the corporate finance & accounts.

The constitution of the Audit Committee is as follows :

1. Smt. Sunita Harlalka : Chairman
2. Sri Anant Veer Harlalka : Member

MEETINGS AND ATTENDANCE

During the financial year ended 31st March '2010, 4 Audit Committee Meetings were held and all the four meetings were attended by Chairman.

4. REMUNERATION COMMITTEE

Terms of Reference

The Managing Director on the Board of the Company, whose appointment and remuneration had been fixed in terms of resolution passed by the Members. The Managing Director and the other Directors on the Board are presently not even drawing the remuneration which was fixed in view of the losses of the Company. Therefore, no Remuneration Committee has been constituted.

Details of Remuneration / Sitting Fees paid to all Directors

The remuneration / Sitting Fees payable to the Executive / Non-Executive Directors for the year 2009-2010 are as under :

Name of the Directors	Remuneration	Sitting Fees	Commission
1. Sri Ashok Kumar Harlalka	60,000	—	—
2. Smt.Sunita Harlalka	—	13,500	—
3. Sri Anant Veer Harlalka	42,000	—	—

5. SHARE HOLDERS COMMITTEE

The Share Holders Committee / Investors Grievance Committee consists of Mr. Anant Veer Harlalka as Chairman.

The Committee deals with various matters relating to the transmission of shares, issue of duplicate share certificates, approving the split and consolidation requests and other matters including Shareholder's Complaints and Grievances. There are no investor Grievances and pending Share Transfers as on 31st March '2010.

6. GENERAL BODY MEETING

The information of last three Annual General Meetings of the Company held are given below. All the meetings were held at the registered office of the Company at 21, Princep Street, Kolkata-700 072.

Financial Year	Date	Time
2006-2007	21.09.2007	11.00 A.M.
2007-2008	05.09.2008	11.00 A.M.
2008-2009	04.09.2009	11.00 A.M.

No special resolutions were passed by the Company through postal ballot at any of the above meetings.

7. DISCLOSURE

i] The Company has not entered into any transactions of a material nature with the promoters, Directors or the Management, that may have potential conflict with the interest of the Company at large.

ii] The Company has neither made any non-compliance with any of the legal provisions of the law nor any penalty or stricture has been imposed by the Stock Exchange or SEBI or any other statutory authority, on any matter related to the capital markets, during the last three years. Listing Fees of Stock Exchanges are being pending.

iii] The appointment of independent Directors etc. as per the revised norms of Clause 49 of the Listing Agreement have to be kept pending in view of the prevailing conditions imposed in regard to the NPA Account with the Bankers. The process will be undertaken once the issue gets resolved with the Bankers.

8. MEANS OF COMMUNICATION

Information like Quarterly Financial Results and Press Releases on significant developments in the Company that has been made available from time to time to the press, institutional investors and analysts has also been submitted to the Stock Exchanges on which the Company's shares are listed. The Quarterly Financial Results are normally published in Echo of India and Arthik Lipi.

9. SHARE HOLDER INFORMATION

Registered Office : 21, Princep Street, Kolkata-700 072.

Annual General Meeting : Date and Time - August 27, 2010 at 11 A.M.

Venue - 21, Princep Street, Kolkata-700 072.