





## GUJARAT AUTOMOTIVE GEARS LIMITED

### DIRECTORS

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

### AUDITORS

M/s. Kanu Doshi Associates, Mumbai.

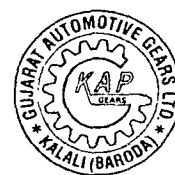
### BANKERS

State Bank of India

### REGISTERED OFFICE & FACTORY

Kalali, Vadodara - 390 012.

## GUJARAT AUTOMOTIVE GEARS LIMITED


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 1997**  
 ( Pursuant to amendment to Clause 32 of the Listing agreement)

	1996-97 (Rs. in Lacs)	1995-96 (Rs in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before tax and Extraordinary Items</b>	<b>57.99</b>	<b>52.69</b>
Adjustment For :		
Depraciation	16.57	11.05
Foreign Exchange	0.80	NIL
Investments	NIL	NIL
Intrest/Dividend	37.23	25.32
<b>Operating Profit before Working Capital Changes</b>	<b>109.59</b>	<b>89.06</b>
Adjustments For :		
Trade & Other Receivables	(-) 21.30	(+ ) 7.13
Inventories	(-) 9.50	(+ ) 30.92
Trade Payables	(+ ) 5.17	(-) 21.65
Cash Generated from Operations	83.96	72.66
Intrest Paid	(-) 34.23	25.32
Direct Taxes Paid	(-) 16.35	19.61
Cash flow before Extraordinary Items	(+ ) 33.38	27.73
Requirements for cash flow statement		
Net cash from operating activities :	33.38	27.73
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed Assets	(-) 39.65	94.29
Sale of Fixed Assets	(+ ) 1.55	3.77
Acquisitions of Companies	NIL	NIL
Purchase of Investments	(-) 0.27	0.13
Sales of Investments	--	--



## GUJARAT AUTOMOTIVE GEARS LIMITED

Intrest Received	--	--
Dividend Received	--	--
Net Cash used in Investing Activities	(-) 38.37	90.65
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of share capital	NIL	NIL
Proceeds from long term borrowings	12.53	89.43
Repayment of Finance lease liabilities	NIL	23.51
Dividend Paid	7.00	3.50
Net cash used in Financing.	5.50	62.42
Net Increase in cash and cash equivalents	0.54	0.50
Cash and cash equivalents as at 1.4.96 Rs. ( Opening Balance )	0.51	1.01
Cash and cash equivalents as at 31.3.97 Rs. ( Closing Balance )	1.05	0.51

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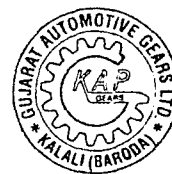
As per our attached Report  
of even date.

for **KANU DOSHI ASSOCIATES,**  
Chartered Accountants  
**Jayesh Parmar**  
Partner

Place : Mumbai  
Date : 5th July, 1997

On behalf of the Board  
Naresh Kothari  
**Managing Director**  
Mrs. T. N. Kothari  
**Whole Time Director**  
N. C. Patel  
A. H. Patel  
M. D. Patel  
**Directors**

Date : 5th July 1997



## GUJARAT AUTOMOTIVE GEARS LIMITED

### DIRECTORS :

Shri A.J. Kothari and Shri K.C. Raval 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 as per Annexure-A.

### PUBLIC DEPOSITS :

The company has not accepted any public deposit.

### AUDITORS :

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

### 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 B to this report.

### ACKNOWLEDGEMENT :

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

for and on behalf of the Board

**Naresh Kothari**

Managing Director

**Mrs. T.N. Kothari**

Whole Time Director

Place : Kalali, BARODA

Date : 5th July, 1997



## GUJARAT AUTOMOTIVE GEARS LIMITED

### ANNEXURE - 'A'

#### Annexure to the Directors' Report

Statement of particulars of employees pursuant to the provisions of section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975 and forming part of the Directors' Report for the year ended 31st March, 1997.

Sr No	Name of Employee	Age in year	Designation	Experience	Date of commencement	Remuneration received Rs.	Last employment
1	Shri Naresh Kothari	41	Managing Director	19 years	20-4-78	4,00,438	—

Mr. Naresh Kothari Managing Director is related to Shri B.J. Kothari Director and Mrs. T. N. Kothari Whole Time Director.

### ANNEXURE - 'B'

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. |



## GUJARAT AUTOMOTIVE GEARS LIMITED

### 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

##### 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 year 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, are as where this has not taken place, reasons therefore and future plan of action

None

Not applicable.



## GUJARAT AUTOMOTIVE GEARS LIMITED

### 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 :

All out efforts are being made to increase exports. The company intends to develop products for foreign markets having huge market potentials. Apart from developing new markets, present market is also being encouraged by follow up visits for customers service programmes.

- |                                  |                                      |
|----------------------------------|--------------------------------------|
| b) Total foreign exchanged used  | US \$ 4610<br>(Ind Rs. 1.64 Lacs)    |
| c) Total foreign exchange earned | US \$ 63179<br>(Ind. Rs. 22.08 lacs) |

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## GUJARAT AUTOMOTIVE GEARS LIMITED

### AUDITORS' REPORT

To  
The Members of  
GUJARAT AUTOMOTIVE GEARS LIMITED

We have audited the attached Balance Sheet of **GUJARAT AUTOMOTIVE GEARS LIMITED** as at 31st March, 1997 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books.
- c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
  - i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1997 and :
  - ii) In the case of the Profit and Loss Account of the Profit of the Company for the Year ended on that date.

Place: Mumbai  
Date : 5th July, 1997

for **KANU DOSHI ASSOCIATES,**  
Chartered Accountants  
**Jayesh Parmar**  
Partner