

GUJARAT AUTOMOTIVE GEARS LIMITED



ANNUAL REPORT 2008-2009

GUJARAT AUTOMOTIVE GEARS LIMITED



DIRECTORS

Mr. Naresh Kothari	-	Chairman & Managing Director
Mr. Niranjana Unadkat	-	Whole Time Director
Mrs. T.N. Kothari	-	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

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. | } |
| 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 | None |
| 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 : <ol style="list-style-type: none"> 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 | Not applicable |

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