

GUJARAT AUTOMOTIVE GEARS LIMITED

ANNUAL REPORT
2012-2013

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

REGISTERED OFFICE & FACTORY

KALALI, VADODARA - 390 012.

GUJARAT AUTOMOTIVE GEARS LIMITED

NOTICE

NOTICE is hereby given that the Forty-second 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, 31st August 2013 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 2013 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 A.H. Patel who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M.D. Patel who retires by rotation and being eligible, offers herself 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 : 25-04-2013

By Order of the Board
NARESH KOTHARI
Chairman & Managing Director

NOTES:

- [1] **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.**
- [2] Members should notify change in the address, if any, specifying full address in block letters with pin code of the post office.
- [3] Members seeking further information on the accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting, so that relevant information can be kept ready at the meeting.

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- [4] **The register of members and share transfer book will remain closed from Monday 26th, August 2013 to Saturday 31st, August 2013 [both days inclusive].**
- [5] **Members attending the meeting are requested to bring their copy of the Annual Report.**

Registered Office
KALALI, VADODARA - 390 012
Date : 25-04-2013

By Order of the Board
NARESH KOTHARI
Chairman & Managing Director

GUJARAT AUTOMOTIVE GEARS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Forty-Second Annual Report of the Company together with the audited accounts for the Year ended on March 31, 2013

FINANCIAL RESULTS :	2012-2013	2011-2012
	Rs.	Rs.
Total Profit	64983792	57076469
Less :Loss/Profit on sale of assets	173818	201739
Operating Profit	64809974	56874730
Less : Depreciation	4457559	3581442
Operating Profit for the Year after depreciation but before tax	60352415	53293288
Total Profit before Taxation(2+3+6)	60526233	53495027
Less : Provision For Taxation	18500000	17500000
Less :Provision for Deferred Tax Assets / Liabilities	1236084	86136
Profit After Tax	40790149	35908891
Balance Of Profit Brought Forward From Previous Year	80431306	68452242
Profit Available for Appropriation	40790149	35908891
Less : Proposed Dividend	1050000	17500000
Tax On Proposed dividend	178448	2838938
Transferred to General Reserve	4079015	3590890
Net Profit Carried Forward to Balance Sheet	115913992	80431306

OPERATIONS:

Total Turn over during the year is Rs.2410.09 Lac (Previous Year Rs. 2240.24 Lac) showing increase of 7.58 % over the previous year. We have made a Profit after depreciation and interest of Rs.605.26 Laces (Previous Year Profit of Rs 534.95 Laces). Exports during the year was Rs. 2325.22 Laces as against Rs. 2137.70 Laces during Previous year showing a growth of 8.77%.

During current year the exchange rate of rupee against US Dollars & Euro has been stable compared to pervious year. Also during the current year our export sales are 96.67 % of our total sales.

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The slowdown in Italy, Germany, USA, economics which are our major markets is likely to have bearing on our sales for next year. Our efforts will be to maintain sales level in these markets and also try to increase our sales by targeting other markets.

As in the past, during the coming year more focus will be on exports with regular visits to customers and tapping new customers at trade fairs and exhibitions.

Director's Responsibility Statement: Your Board States that

I) In the preparation of the annual account for the year ended on 31st March, 2013 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, 2013 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 2013 on a going concern basis.

DIVIDEND:

The Board recommends 30 % dividend (i.e. Rs 3.00 pr share) for the year ended 31st March, 2013.

DIRECTORS:

Mr.A.H.PATEL and Mr M D PATEL, Directors 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

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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.

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 for their co-operation.

Place : VADODARA.
Date : 25-04-2013

for and on behalf of the Board
Naresh Kothari
Chairman & Managing Director

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 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)

- 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: None
 - 1. Capital
 - 2. Recurring
 - 3. Total
 - 4. Total R&D Expenditure as a Percentage of total turnover.

2) Technology absorption, adaption and innovation :

- a) Efforts, in brief made towards Technology absorption, adoption And innovation. None
- b) Benefit derived as a result of the Above efforts e.g. product improve- Emend, 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 inform- Mat ion 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
 Not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports initiative taken to increase exports, development of Export markets for products and services and export plans:

Export Sales has increased due to regular Follow-up visits to various foreign markets, also visits to fairs and exhibition for new customers and new product development.
- b) Total foreign exchanged used | Rs. 114.68 Lacs
P.Y. (Rs. 101.59 Lacs)
- c) Total foreign exchange earned | Rs. 2313.97 Lacs
P.Y.(Rs. 2130.78 Lacs)