

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.

GUJARAT AUTOMOTIVE GEARS LIMITED

- [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.

GUJARAT AUTOMOTIVE GEARS LIMITED

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

GUJARAT AUTOMOTIVE GEARS LIMITED

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 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
 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)

GUJARAT AUTOMOTIVE GEARS LIMITED

Dinesh Mehta & Co.,
Company Secretaries.
Ph. No. 2371241

4,Rutu Villa,
Gotri Telephone Exchange Road,
Gotri,VADODARA - 390 021,

COMPLIANCE CERTIFICATE

To
The Members
Gujarat Automotive Gears Ltd.
Kalali, VADODARA 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 2013 (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 'A' 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 'B' 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 30.04.2012., 14.05.2012, 16.07.12, 04.10.12 and 12.01.2013 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 21.08.2012 to 28.08.2012 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 2012 was held on 28.08.2012 after giving due notice to the members of the company and the resolutions passed there were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.

GUJARAT AUTOMOTIVE GEARS LIMITED

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 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 & iii) deposited the amount of dividend in a separate Bank Account in Bank within 5 days from the date of declaration and also posted cheques within 30 days from the date of declaration of dividend during the Financial year.
 - iv) There was no outstanding amount in unpaid dividend account, application money amount due for refund, matured deposit, matured debenture and interest thereon which have remained unclaimed or unpaid for a period of seven years.
 - v) duly complied with the requirements of section 217 of the Act.
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 re-appointed Mr. Niranjana Unadkat as Whole time Director of the Company 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.

GUJARAT AUTOMOTIVE GEARS LIMITED

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 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: VADODARA

Date : 9/04/2013

for Dinesh Mehta & Co.

Company Secretaries

Sd.

Dinesh Mehta

Proprietor

C. P. No. 2127

GUJARAT AUTOMOTIVE GEARS LIMITED

Annexure 'A'

Registers as maintained by Gujarat Automotive Gears Ltd.

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

Anexure B

Forms>Returns filed by Gujarat Automotive Gears Ltd. for the year ended 31.03.2013.

1. Balance sheet as at 31.03.2012 under Form No.23AC XBRL & 23ACA XBRL filed on 06.01.2013
2. Annual return up to 28.08.2012 under Form No.20B filed on 31.08.2012.
3. Compliance Certificate for the year ended 31.03.2012 under Form No.66 filed on 31.08.2012.
4. Two Form no. 23 filed on respectively 14.05.2012 and 31.08.2012
5. Form No. 25C filed on 14.05.2012
6. Form no. 23C filed on 28.08.2012

for Dinesh Mehta & Co.

Company Secretaries

Sd.

Dinesh Mehta

Proprietor

C. P. No. 2127

INDEPENDENT AUDITORS' REPORT

To,
The Members of
GUJARAT AUTOMOTIVE GEARS LIMITED
Report on the Financial Statements

We have audited accompanying financial statements of Gujarat Automotive Gears Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management' Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, ("the order") as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.
 - e) On the basis of the written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

Place: MUMBAI
Date : 26-04-2013

for **KANU DOSHI ASSOCIATES**
Chartered Accountants
Mihir Hindocha
Partner
Mem No. 112766
Firm Reg. No. : 104746W

GUJARAT AUTOMOTIVE GEARS LIMITED

ANNEXURE TO THE 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 2013)

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (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/taken any loans, secured or unsecured loan to companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence sub clause (a), (b), (c), (d), (e), (f) and (g) of the order does not apply to the company.
- (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.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) However, there were no transactions exceeding the value of Rs.5,00,000 in respect of any party covered in the relevant register.

GUJARAT AUTOMOTIVE GEARS LIMITED

- (vi) The Company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly review the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (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, 2013 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

- (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.
- (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.

GUJARAT AUTOMOTIVE GEARS LIMITED

- (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) Based on the information and explanation given to us, we are of the opinion that the term loans were applied for the purpose for which the loans were obtained.
- (xvii) On the basis of an overall examination of the Balance Sheet of the Company and according to the information and explanations given to us, in our opinion there are no funds raised on short-term basis, which have been used for long-term investment.
- (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 and according to the information and explanation given to us, no fraud, on or by the Company, has been noticed or reported during the course of our audit.

Place: MUMBAI
Date : 26-04-2013

for **KANU DOSHI ASSOCIATES**
Chartered Accountants
Mihir Hindocha
Partner
Mem No. 112766
Firm Reg. No. :- 104746W

GUJARAT AUTOMOTIVE GEARS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013 (Amount in Rs.)

PARTICULARE	Note No.	As at 31 st March 2013 Rs.	As at 31 st March 2012 Rs.
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS :			
Share Capital	2	3,500,000	3,500,000
Reserves and Surplus	3	136,878,398	97,316,697
Non-Current Liabilities :			
Long-term borrowings	4	1,253,987	2,878,238
Deferred Tax liabilities (Net)		2,201,021	964,937
Long term provisions	5	2,748,595	2,897,947
Current Liabilities :			
Trade payables (Refer Note No. 30)		30,379,229	29,483,191
Other current liabilities	6	7,408,254	8,116,037
Short-term provisions	7	2,144,647	21,520,848
	Total	186,514,131	166,677,896
ASSETS			
NON-CURRENT ASSETS			
FIXED ASSETS:			
Tangible assets	8	35,989,407	28,351,433
Intangible assets	8	-	-
Capital work-in-progress		-	1,065,299
Long term loans and advances	9	17,023,324	16,354,501
Current assets			
Inventories	10	29,160,387	40,486,479
Trade receivables	11	40,977,604	31,554,046
Cash and Bank balances	12	62,412,799	47,478,669
Short-term loans and advances	13	950,610	1,387,469
	Total	186,514,131	166,677,896

Summary of Significant Accounting Policies 1
The accompanying notes are integral part of the financial statements

for **KANU DOSHI ASSOCIATES**
Chartered Accountants
FRN : 104746W
Mihir Hindocha
Partner
M.No. 112766
Place :- MUMBAI
Date :- 26-04-2013

On behalf of the Board
Naresh Kothari
Chairman & Managing Director
Niranjan Unadkat
Whole Time Director
Mukesh Patel
Director

Place :- VADODARA
Date :- 25-04-2013

GUJARAT AUTOMOTIVE GEARS LIMITED

Statement of Profit and Loss Account for the year ended 31.03.2013

(Amount in Rs.)

PARTICULARS	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Revenue from operations (Gross)	14	250,401,252	233,101,646
Less: Excise Duty		9,391,644	9,077,273
Revenue from operations (Net)		241,009,608	224,024,373
Other Income	15	8,998,587	6,132,371
Total Revenue		250,008,195	230,156,744
Expenses :			
Cost of materials consumed	16	125,567,936	115,213,081
Changes in inventories of finished goods and semi finished goods	17	6,060,058	(2,054,087)
Employee benefits expense	18	16,044,300	16,037,177
Financial costs	19	424,921	443,234
Depreciation and amortization expenses	8	4,457,559	3,581,442
Other expenses	20	36,927,188	43,440,870
Total Expenses		189,481,962	176,661,717
Profit before exceptional items and tax		60,526,233	53,495,027
Profit before tax		60,526,233	53,495,027
Tax expense:			
Current tax		18,500,000	17,500,000
Deferred tax		1,236,084	86,136
Earlier years tax adjustments		-	-
Profit/(Loss) for the period		40,790,149	35,908,891
Earning per equity share:	25		
Basic		116.54	102.60
Diluted		116.54	102.60

Summary of Significant Accounting Policies 1

The accompanying notes are integral part of the financial statements

for **KANU DOSHI ASSOCIATES**

Chartered Accountants

FRN : 104746W

Mihir Hindocha

Partner

M.No. 112766

Place :- MUMBAI

Date :- 26-04-2013

18

On behalf of the Board

Naresh Kothari

Chairman & Managing Director

Niranjan Unadkat

Whole Time Director

Mukesh Patel

Director

Place :- VADODARA

Date :- 25-04-2013

GUJARAT AUTOMOTIVE GEARS LIMITED

Cash Flow Statement for the year ended 31.03.2013

(Amount in Rs.)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Net Profit before Tax	60,684,309	53,495,027
Adjustment for		
Depreciation	4,457,559	3,581,442
Interest Expenses	426,845	443,234
(Profit)/loss on sale of fixed assets	(173,818)	201,739
Interest received	(4,078,078)	(2,944,805)
Operating profit before working capital changes	61,316,817	54,776,637
Adjustment for		
Sundry Debtors	(9,423,558)	2,427,808
Loans & Advances	774,265	(3,465,311)
Inventories	11,326,092	(10,246,350)
Liabilities and provisions	(362,884)	3,879,489
Total	2,313,915	(7,404,364)
Cash Generated from operations	63,630,731	47,372,273
Direct taxes paid	(19,720,233)	(16,921,058)
Net Cash Flow from Operating Activities	43,910,498	30,451,215
Cash flow from Investing Activities		
Purchase of fixed assets	(11,587,916)	(9,015,754)
Sale of fixed assets	731,500	687,860
Interest received	4,078,078	2,944,805
Increase in Fixed Deposit with banks	(7,331,765)	(43,357,170)
Net cash used in investing activities	(14,110,103)	(48,740,259)
Cash flow from financing activities		
Proceeds from long term borrowings (Net)	(2,532,348)	3,199,106
Dividend paid (Including Dividend distribution tax)	(20,338,938)	(20,338,938)
Interest paid	(426,845)	(443,234)
Net cash used in financing activities	(23,298,131)	(17,583,065)
Net decrease in cash and cash equivalents	6,502,265	(35,872,109)
Cash and cash equivalent as at 01.04.2012 (Opening Balance)	2,209,309	38,081,417
Cash and cash equivalent as at 31.03.2013 (Closing Balance)	8,711,574	2,209,309

On behalf of the Board

Naresh Kothari

Chairman & Managing Director

Niranjan Unadkat

Whole Time Director

Mukesh Patel

Director

Place:- Baroda

Date :-25-04-2013

for **KANU DOSHI ASSOCIATES**

Chartered Accountants

FRN : 104746W

Mihir Hindocha

Partner

M. No. 112766

Place:- Mumbai

Date :- 26-04-2013

19

GUJARAT AUTOMOTIVE GEARS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013.

1. SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF ACCOUNTING

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. 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, amortisation and impairment loss, if any. 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 IMPAIRMENT

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, 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.

GUJARAT AUTOMOTIVE GEARS LIMITED

F INTANGIBLE ASSETS & AMORTISATION

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Software is amortised over a period of three years using straight lines basis.

G BORROWING COST

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are included to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are charged to revenue. Borrowing costs consist of interest and other cost that an entity incurs in connection with borrowing of funds.

H INVENTORIES

Raw materials are valued at lower of cost or Net Realizable Value. Cost is determined on FIFO basis.

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. Cost is determined on FIFO basis.

Finished goods are valued at cost or market value whichever is Lower. Cost is arrived at on full absorption basis. Cost is determined on FIFO basis.

Scrap is valued at estimated net realizable value.

Stock of stores, spares, components and packing materials are valued at cost or Net Realizable Value, Whichever is lower. Cost is determined on FIFO basis.

Materials held for use in the production of inventories are not written down below cost if finished products in which they will be incorporated are expected to be sold at or above cost.

I CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank, in hand (including cheques in hand) and short term investment with an original maturity of three months or less.

J REVENUE RECOGNITION

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Excise duties in respect of finished goods are shown separately and included in the valuation of finished goods.

Export benefits are accounted on accrual basis.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Claims receivable are accounted at the time when such income has been earned by the Company

GUJARAT AUTOMOTIVE GEARS LIMITED

K DEPENDING ON THE CERTAINTY OF RECEIPTS

Foreign currency transactions are initially recorded at the rates of exchange prevailing on the date of transactions. Foreign currency monetary items are subsequently reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

L EMPLOYEE BENEFITS

(I) DEFINED CONTRIBUTION PLAN

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.

(II) DEFINED BENEFIT PLAN

Defined Benefit obligation plans and other long term benefits- 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 Account. 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.

M INCOME TAXES

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.

N CONTINGENCIES AND PROVISIONS

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

GUJARAT AUTOMOTIVE GEARS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

2 SHARE CAPITAL

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Authorised		
4,25,000/- Equity shares (P.Y. 4.25,000) of Rs. 10/- each	4,250,000	4,250,000
7,500 (P.Y. 7,500) 9.5% Cumulative Redeemable Preference shares of Rs. 100/- each	750,000	750,000
5,00,000 (P.Y. 5,00,000) unclassified shares of Rs. 10/- each	5,000,000	5,000,000
	<u>10,000,000</u>	<u>10,000,000</u>
Issued, Subscribed and Fully Paid up		
3,50,000 (P.Y. 3,50,000) Equity Shares of Rs. 10/- each fully paid-up	3,500,000	3,500,000

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Director

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company	As at 31st March, 2013	As at 31st March, 2012
In Equity Shares		
Naresh Kothari		
No. of Shares	152,880	152,880
% holding in the class	43.68%	43.68%
Tejas Kothari		
No. of Shares	92,850	92,850
% holding in the class	26.53%	26.53%

GUJARAT AUTOMOTIVE GEARS LIMITED

3 Reserves & Surplus

Particulars	As at 31st March, 2013	As at 31st March, 2012
General Reserve		
As per Last Balance Sheet	16,885,391	13,294,501
Add : Transferred from Profit and Loss Account	4,079,015	3,590,890
Closing Balance	20,964,406	16,885,391
Balance In Profit & Loss Account		
As per Last Balance Sheet	80,431,306	68,452,242
Profit for the year	40,790,149	35,908,891
Transfer to General Reserve	4,079,015	3,590,890
Proposed Dividend	1,050,000	17,500,000
Tax on Proposed Dividend	178,448	2,838,938
Net Surplus in profit and Loss account	115,913,992	80,431,306
	136,878,398	97,316,697

4 Long Term Borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012
Secured:		
Term loans from banks	1,253,987	2,878,238
	1,253,987	2,878,238

Term Loans from bank carries interest rate @ 10% The loan is repayable in 36 equal monthly installments of Rs 1,45,202/- along with interest, from the date of loan. The loan is secured by hypothecation of vehicles for which loan is taken. Current portion of the above loan is shown under other current liabilities as current maturities of long term loans.

5 Long Term Provisions

Particulars	As at 31st March, 2013	As at 31st March, 2012
Leave Encashment	2,748,595	2,897,947
	2,748,595	2,897,947

GUJARAT AUTOMOTIVE GEARS LIMITED

6 Other Current Liabilities

Particulars	As at 31st March, 2013	As at 31st March, 2012
Current maturities of long term loans	1,532,743	2,440,840
Unpaid dividends	2,693,653	1,593,553
Advance from customers	961,781	1,824,426
Statutory dues Payable	996,162	992,989
Other Payable (includes Employee liabilities and other misc. payables)	1,223,915	1,264,229
	7,408,254	8,116,037

7 Short Term Provisions

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits		
For Leave Encashment	916,199	965,983
Others		
For Proposed Dividend	1,050,000	17,500,000
For Current Tax (net)	0	215,927
For Tax on Proposed Dividend	178,448	2,838,938
	2,144,647	21,520,848

9 Long Term Loans And Advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured considered good		
Capital Advances	1,100,000	2,534,000
Security Deposits	656,905	502,428
Balance With Statutory Authorities	15,266,419	13,318,073
	17,023,324	16,354,501

10 Inventories (Refer Note No. 1H)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Raw Material	1,295,412	3,053,604
Work - In - Process	11,630,418	17,714,928
Finished Goods	5,707,885	5,828,345
Raw Material Components	7,561,927	11,480,724
Stores and Spares parts and packing Material	1,656,837	1,245,882
Scrap	1,307,908	1,162,996
	29,160,387	40,486,479

GUJARAT AUTOMOTIVE GEARS LIMITED

8. FIXED ASSETS

Sr. No.	Particulars	Gross Block			As at 31-03-2013
		As at 01-04-2012	Addition during the year	Deduction during the year	
1. LAND & BUILDING					
	Land	52,001	-	-	52,001
	Factory Building	892,895	3630709	-	4523604
	Other Civil Construction	992,737	-	-	992,737
	Road and Service	63,308	-	-	63,308
	Tube Well	26,316	-	-	26,316
2. FURNITURE & FIXTURE					
	Furniture, Fixture, Fittings	202,077	47517	-	249594
3. PLANT & MACHINERY					
	Plant and machinery	43,541,971	7705769	1789503	49458237
	Electrical installation	855,097	778962	-	1634059
	Air conditioner & water cooler	764,054	-	24998	739056
	Factory Equipment	68,493	-	-	68,493
	Office Equipment	194,472	383727	52263	525936
	Vehicle	11,925,953	59531	76114	11909370
	Tempo	932,818	-	-	932,818
	Computer	874,546	47000	-	921546
4. INTANGIBLE ASSETS					
	Computer Software	140400	-	-	140,400
	TOTAL	61,527,138	12653215	1942878	72237475
	PREVIOUS YEAR TOTAL	57,081,575	7950455	3504892	61527138

GUJARAT AUTOMOTIVE GEARS LIMITED

Upto 31-03-2012	Adj. on A/c of Sales of Assets	Provided for the Year	Net Block		
			Upto 31-03-2013	As at 31-03-2013	As at 31-03-2012
-	-	-	-	52,001	52,001
857,393	-	83224	940617	3582987	35,502
273,947	-	14606	288553	704184	718,790
55,089	-	411	55500	7808	8,219
15,490	-	541	16032	10284	10,826
175,487	-	3441	178928	70666	26,590
27,205,059	1279747	2923158	28848470	20609767	16,336,912
595,266	-	80859	676125	957934	259,831
444,761	19119	32377	458019	281037	319,293
64,309	-	593	64902	3591	4184
51,119	32219	20797	39696	486240	143,353
2,190,619	54111	1126132	3262641	8646729	9735334
420,703	-	105502	526205	406613	512,115
686,062	-	65918	751980	169566	188,484
140,400	-	-	140400	0	0
33,175,705	1385196	4457559	36248068	35989407	28,351,433
32,209,555	2615292	3581442	33175705	28351433	24872021

GUJARAT AUTOMOTIVE GEARS LIMITED

11 Trade Receivables

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Debts outstanding for a period exceeding six Months from the date they are due for payment	—	12,172
Other debts - (less than six months)	40,977,604	31,541,874
	40,977,604	31,554,046

12 Cash and Bank Balances

Particulars	As at 31st March, 2013	As at 31st March, 2012
Cash & Cash Equivalents		
Balances with Banks :		
Current Accounts	8,672,294	2,185,340
Cash on hand	39,280	23,969
Other Bank Balances		
Deposit Accounts (original maturity of more than 3 months) (Includes paid as Margin Money Rs 4,34,716 (PY.4,07,749))	51,007,572	43,675,807
Dividend Accounts	2693,653	1,593,553
	62,412,799	47,478,669

13 Short Term Loans and Advances

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured considered good		
Advance to Creditors	336,129	884,126
Advances recoverable in cash or in kind	614,481	503,343
	950,610	1,387,469

14 Revenue from operations

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Sale of Products	248,750,941	230,518,536
Processing Charges	709,631	847,640
Other operating revenues		
Scrap Sales	940,680	1,695,551
Export benefit Received	—	39,919
Revenue from operations (Gross)	250,401,252	233,101,646
Less : Excise Duty	9,391,644	9,077,273
Revenue from operations (Net)	241,009,608	224,024,373

GUJARAT AUTOMOTIVE GEARS LIMITED

15 Other Income

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest Income	4,078,078	2,944,805
Other Miscellaneous Income	2,229	6,500
Foreign exchange Fluctuation	3,244,462	3,181,066
Profit/(Loss) on sale/discard of fixed assets	173,818	—
Insurance Claim Received	1,500,000	—
	8,998,587	6,132,371

16 Cost of raw materials and components consumed

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Raw Material-Steel	27,184,497	33,882,160
Raw Material-others	37,165,899	39,442,505
Raw Material Component	51,105,299	32,632,184
Packing Materials	10,112,241	9,256,232
	125,567,936	115,213,081

17 Increase Decrease in Inventories of Finished Goods and Semi finished goods

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Opening Stock		
Finished Goods	5,828,345	5,222,741
Semi Finished Goods	17,714,928	16,266,573
Scrap	1,162,996	1,162,868
Total	24,706,269	22,652,182
Closing Stock		
Finished Goods	5,707,885	5,828,345
Semi Finished Goods	11,630,418	17,714,928
Scrap	1,307,908	1,162,996
Total	18,646,211	24,706,269
Increase/(Decrease)	(6,060,058)	2,054,087

18 Employees benefit expenses

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Salaries and Wages (Including Bonus and Gratuity, leave encashment)	15,694,908	15,687,228
Contribution to Provident and other Funds	349,098	348,591
Workmen and Staff Welfare Expenses	294	1,359
	16,044,300	16,037,177

GUJARAT AUTOMOTIVE GEARS LIMITED

19 Finance Costs

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest to banks	407,159	239,340
Interest -Others	17,762	203,894
	424,921	443,234

20 Other expenses

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Power & Fuel	3,890,451	4,235,221
Freight Inward and Octroi	1,551,376	1,777,849
Consumption of Stores and Spares	2,039,575	3,156,529
Processing Charges	10,438,899	13,276,929
Excise Duty on finished goods (net)	2,689	172,774
Repairs and Maintenance		
Buildings	329,627	331,480
Plant and Machiner	452,722	1,121,955
Others	315,522	222,991
Fumigation Charges	304,643	274,605
Director Sitting Fees	42,000	14,000
Laboratory Charges	20,575	16,109
Payment of Government Duties	1,453,177	1,283,595
Insurance	1,353,565	672,358
Rates and Taxes	117,721	136,003
Travelling and conveyance	5,151,992	4,856,142
Advertisement and Sales Promotion	44,253	29,925
Postage, telephone and Communication expenses	463,249	480,137
Printing and Stationery	238,256	208,651
Freight Outward	4,718,655	4,375,715
Commission and Discount	1,105,993	1,151,782
Loss on sale / discard of Fixed Assets (net)	-	201,739
Vehicle Running and maintenance	1,440,521	1,334,538
Legal and Professional fees	577,288	406,736
Miscellaneous Expenses	408,661	406,288
Bad Debts Written off	-	2,843,088
Bank Charges	465,778	453,729
	36,927,188	43,440,870

GUJARAT AUTOMOTIVE GEARS LIMITED

Notes to Financial Statements for the year ended March 31, 2013

21 Contingent liability and Commitments

Contingent liability not provided for :	31.3.2013	31.3.2012
Bank Guarantee	-	334,450
Disputed Income tax Liabilities	6,77,053	270,019
Capital Commitments (net of advances)	1,140,000	4,121,139

22 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.

23 Segment Reporting

The management information system of the company identifies & monitors Auto Parts As the primary 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, which is given as under.

Geographical segment- Revenue

(Amount in Rs.)

Geographic Location	31.3.2013	31.3.2012
USA	10,970,822	19,875,507
Europe	186,476,308	160,228,173
Gulf Countries	17,707,290	9,518,194
Far East	11,859,918	18,986,916
Sri Lanka	4,382,953	4,469,630
Others	7,962,006	9,210,483
	239,359,297	222,288,903

Other income is generated only in India. All assets of the company except the debtors of Rs.39,178,605/- (P.Y. Rs. 29,456,986) are within India.

GUJARAT AUTOMOTIVE GEARS LIMITED

24. The Break up of Deferred tax Assets/Liabilities is as under: (Amount in Rs.)

Deferred Tax:	As on 1.4.2012	Current Year	As on 31.3.2013
Deferred Tax Assets on Account of (i) Employee Benefit	983,934	(62,033)	921,901
Total	983,934	(62,033)	921,901
Deferred Tax Liability on Account of (i) Depreciation	1,948,871	1,171,681	3,120,552
Total	1,948,871	1,171,681	3,120,552
Net Deferred Tax Assets/(Liability)	(964,937)	(1,233,714)	(2,198,651)

25 Earning per Share :- (Amount in Rs.)

Particulars	31.03.2013	31.03.2012
Profit after tax	40,948,225	35,908,891
No. of shares	350,000	350,000
Nominal value per share in rupees	10	10
Basic and diluted earning per share	116.99	102.60

26 Related Party Disclosures :-

(Amount in Rs.)

Key Management Personnel	31.03.2013	31.03.2012
Payment of Managerial Remuneration		
Mr. Naresh Kothari, Managing Director	2,239,335	2,252,691
Mr. Niranjan P Unadkat, Whole Time Director	991,218	544,606
Other : Relative of Key Management Personnel		
Payment of Sitting Fees		
Smt Tejas Kothari, Director	9,000	4,000
Balance Outstanding		
Mr. Naresh Kothari, Managing Director	170,000	170,000
Mr. Niranjan P Unadkat, Whole Time Director	80,000	40,000

GUJARAT AUTOMOTIVE GEARS LIMITED

27 Managerial Remuneration :- (Amount in Rs.)

Particulars	31.03.2013	31.03.2012
Salary	2,960,000	2,520,000
Contribution to Provident and other funds	18,720	18,720
Perquisites	251,833	258,577
Total	3,230,553	2,797,297

Excluding contribution to gratuity fund and provision for leave encashment since the same are provided on an actuarial basis for the company as a whole.

28 Auditor's Remuneration :- (Amount in Rs.)

Particulars	31.03.2013	31.03.2012
Audit Fees	200,000	75,000
Tax Audit fees	50,000	15,000
Other Matters	10,000	12,500
Reimbursement of expenses	24,238	21,354

29 Employee Benefits :-

a) Defined benefit plans as per actuarial valuation on: (Amount in Rs.)

PARTICULARS	Gratuity Funded	
	31.3.2013	31.3.2012
I Expenses recognized in the statement of profit & Loss for the year ended		
1 Current Service Cost	83,183	78,849
2 Interest Cost	217,420	197,906
3 Employee Contribution	-	-
4 Expected Return on Plan Assets	(274,980)	(246,884)
5 Net Actuarial (Gain/ Losses)	(12,670)	(32,842)
6 Past Service Cost	-	-
7 Settlement Cost	-	-
8 Total Expenses	12,953	(2,971)

GUJARAT AUTOMOTIVE GEARS LIMITED

II Net Asset/ Liability recognized in the Balance Sheet As at		
1 Present Value of Defined Benefit Obligation	2,823,917	2,717,744
2 Fair Value of Plan Assets	3,162,526	3,047,811
3 Funded status [Surplus / (Deficit)]	338,609	330,067
4 Net Assets/(liability)	338,609	330,067
III Change in Obligation During the year Ended		
1 Present Value of Defined Benefit Obligation at beginning of the year	2,717,744	2,473,831
2 Current Service cost	83,183	78,849
3 Interest Cost	217,420	197,906
4 Settlement Cost	-	-
5 Past Service Cost	-	-
6 Employee contribution	-	-
7 Actuarial (Gain) / Losses	(12,670)	(32,842)
8 Benefits Payments	(181,760)	-
9 Present Value of Defined Benefit obligation at the end of the year	2,823,917	2,717,744
IV Change in Assets During the year ended		
1 Plan Assets at the Beginning of the year	3,047,811	2,690,975
2 Assets acquired on amalgamation in previous year	-	-
3 Settlements	-	-
4 Expected return on plan assets	274,980	246,884
5 Contribution By Employer	21,490	109,952
6 Actual Benefits Paid	(181,760)	-
7 Actuarial (Gain)/Losses	-	-
8 Plan Assets at the end of the year	3,162,526	3,047,811
9 Actual return on plan assets	274,980	246,884
V The major categories of plan Assets as a percentage of total plan		
Qualifying Insurance Policy	100%	100%
VI Actuarial Assumption		
Discount Rates	8%	8%
Salary Escalation	7%	7%

GUJARAT AUTOMOTIVE GEARS LIMITED

b) Provision towards Liabilities For Leave Encasement made on the Basis of Actuarial Valuation as per Accounting Standard 15(Revised). Actuarial Value of Liabilities at the year end is Rs 36,64,794/- (P.Y. 38,63,930) based upon following assumption. Expenses provided in the profit and loss account is Rs. 5894(P.Y. Rs.2,88,796)

	31.03.2013	31.03.2012
Discount Rates	8%	8%
Salary Escalation	7%	6%

30 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.

31 Particulars of Unhedged foreign currency exposure as at balance sheet date (Amount in Rs.)

Particulars	31.03.2013	31.03.2012
Export Debtors (Net of Advances)	39,178,605	29,456,986
Import Creditors	-	512,512

32 Value of imported and indigenous raw materials, stores and components consumed (Amount in Rs.)

A Particulars	31.03.13		31.03.2012	
	Value	%	Value	%
Raw Material				
Imported	1,246,210	1.94%	-	0.00%
Indigenous	63,104,186	98.06%	73,324,665	100.00%
Total	64,350,396	100.00%	73,324,665	100.00%
Stores/Components				
Imported	7,327,895	13.79%	5,772,857	16.13%
Indigenous	45,816,979	86.21%	30,015,856	83.87%
Total	53,144,874	100.00%	35,788,713	100.00%

B Details of Foreign exchange earned and spent during the year

i) F.O.B. Value of Export Rs. 23,13,97,291/- (Previous Year: Rs.21,30,78,420/-)

ii) Foreign Exchange spent on Foreign Traveling Equivalent in Indian currency: Rs. 16,90,140/- (Previous Year: Rs. 23,92,405/-), Commission Rs.8,47,203/- (Previous Year: Rs.9,55,857/-), Imported Components Rs.74,26,311/- (Previous Year: Rs. 57,93,148/-), Bank Charges Rs 2,59,072 (Previous Year: Rs. 2,35,959/-) and Plant & Machinery imported Rs. Nil/- (Previous Year: Rs7,81,620/-). Imported Raw Maters Rs. 12,46,210 (Previous Year Rs. NIL)

33 Trade receivables, trade payables and loans and advances are subject to confirmation and reconciliation, if any.

GUJARAT AUTOMOTIVE GEARS LIMITED

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

As per our attached report of even date

for **KANU DOSHI ASSOCIATES**
Chartered Accountants
FRN : 104746W
Mihir Hindocha
Partner
M. No. 112766

Place:- Mumbai
Date :- 26-04-2013

On behalf of the Board

Naresh Kothari
Chairman & Managing Director

Niranjan Unadkat
Whole Time Director
Mukesh Patel
Director

Place:- Baroda
Date :-25-04-2013

GUJARAT AUTOMOTIVE GEARS LIMITED

Registered Office & Factory : KALALI, VADODARA - 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 Forty Second Annual General Meeting of the Company to be held on Saturday, 31st August 2013.

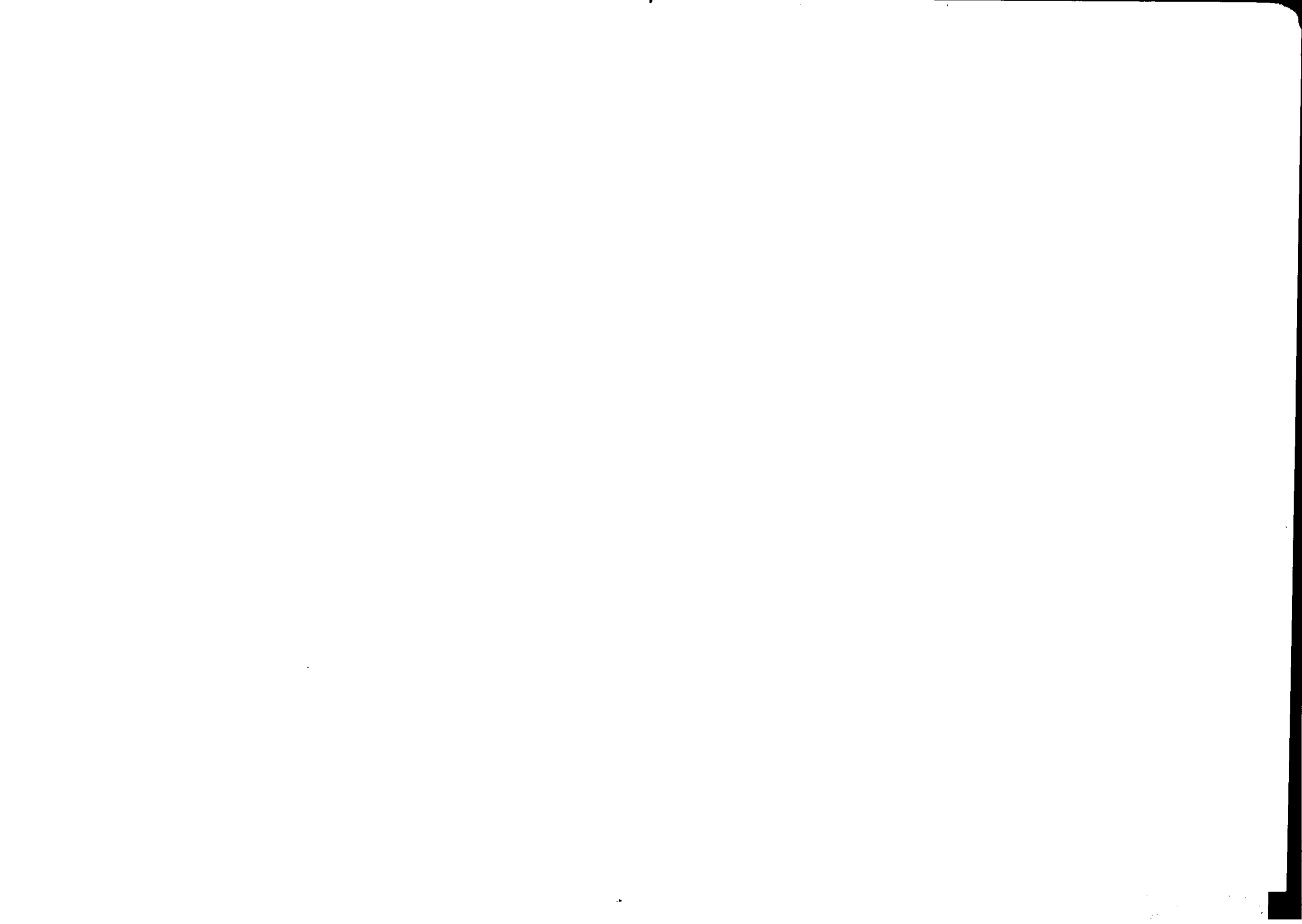
Signed this _____ day of _____ 2013.

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.





GUJARAT AUTOMOTIVE GEARS LIMITED

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	GUJARAT AUTOMOTIVE GEARS LTD
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	repetitive
5.	To be signed by • CEO / Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	

For Gujarat Automotive Gears Limited


Rajiv Aggarwal

Managing Director

ISO 9001 - 2008