



# ADITYA GEARS LTD.

ANNUAL REPORT  
2008 - 2009

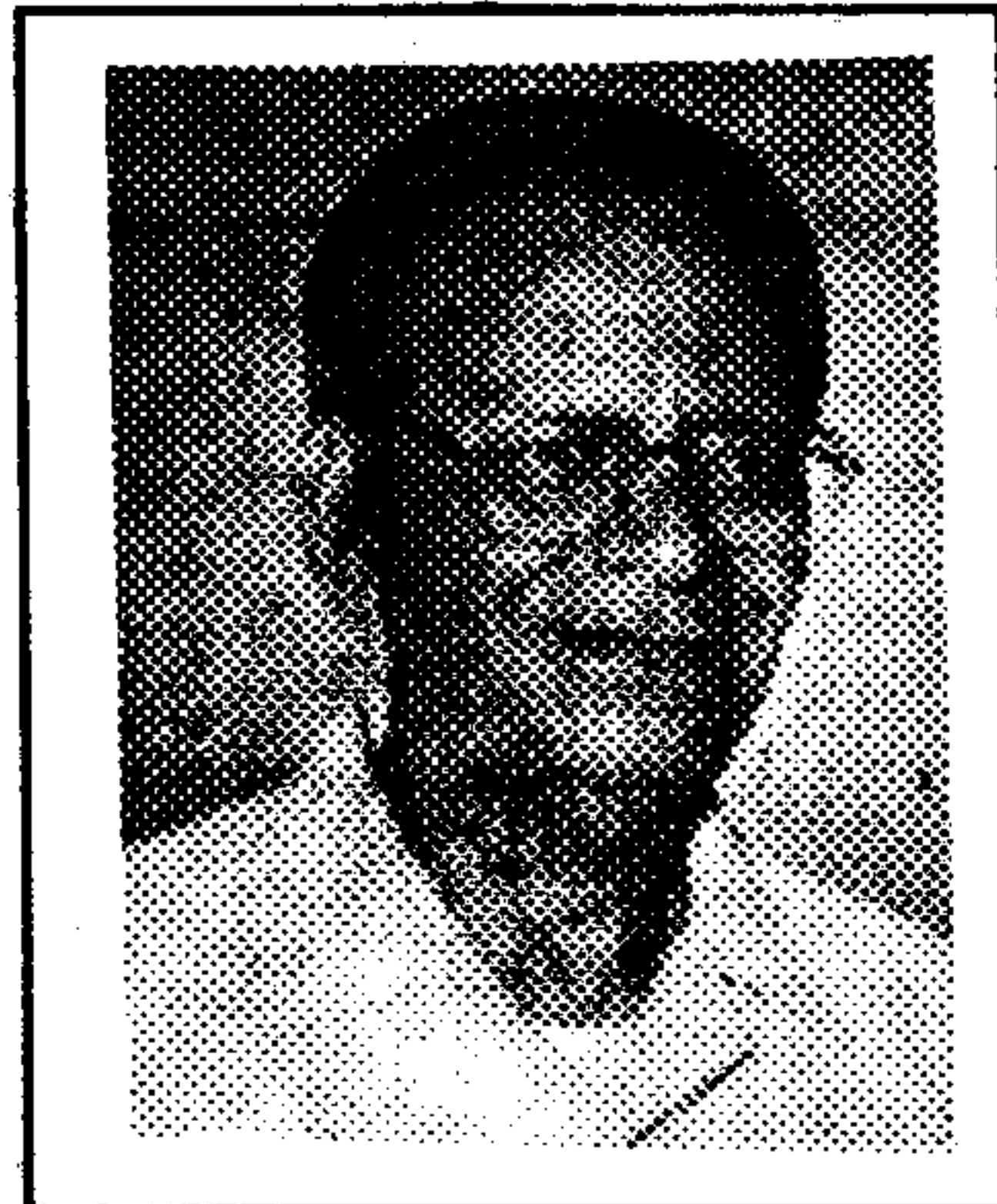
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**MADAN LAL HARLALKA**  
(GROUP FOUNDER)

LEFT FOR HEAVENLY ABODE ON

29TH NOVEMBER '2008

OUR RESPECTABLE HOMAGE



1934

2008

WE WILL FOLLOW YOUR FOOTPRINT LEFT BEHIND

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**ADITYA GEARS LTD.**

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**BOARD OF DIRECTORS**

ASHOK KUMAR HARLALKA,  
*Chairman & Managing Director*  
SUNITA HARLALKA  
ANANT VEER HARLALKA

**BANKERS**

ORIENTAL BANK OF COMMERCE  
BANK OF INDIA

**REGISTRARS**

MAHESHWARI DATAMATICS PVT. LTD.  
6, MANGOE LANE, 2ND FLOOR  
KOLKATA - 700 001

**AUDITORS**

G. AGARWAL & ASSOCIATES  
*Chartered Accountants*

**REGISTERED OFFICE**

21, PRINCEP STREET  
1ST FLOOR  
KOLKATA - 700 072

**FACTORY**

PLOT NO. A-1164, PHASE IV  
RIICO INDUSTRIAL AREA  
BHIWADI - 301019 (RAJASTHAN)

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## NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the Members of ADITYA GEARS LTD. will be held at 21, Princep Street, Kolkata - 700 072 on Friday, the 4th day of September, 2009 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Reports of the Auditors and Directors thereon.
2. Smt. Sunita Harlalka, retires as Director and being eligible, offers herself for re-appointment as Director of the Company.
3. To appoint Auditors and to fix their remuneration.
4. To transact such other business as may be transacted at the Annual General Meeting.

### SPECIAL BUSINESS

#### **Appointment of Mr. Anant Veer Harlalka as a Director**

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"Resolved that Mr. Anant Veer Harlalka who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st December '2008 and who holds office upto the date of the forthcoming AGM of the Company, as per Companies Act, 1956 be and is hereby appointed a Director of the Company."

Place : Kolkata  
The 30th day of June, 2009

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

**IMPORTANT NOTES :**

1. The Register of Members of the Company will remain closed from 31st August, 2009 to 4th September, 2009 (both day inclusive).
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and on a poll only to vote instead of him. Such Proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. Members are advised to send all correspondence/documents only to the Share Department at the Registered Office of the Company. The Company does not take any liability or responsibility whatsoever for correspondence / documents sent to any other address.
4. Entry will be strictly on production of Attendance Slip.
5. As a measure of economy, Members/proxies are requested to bring their copy of the Annual Report at the meeting. No Annual Report will be distributed at the meeting.
6. Members are requested to send their queries, if any, on the workings of the Company at least 7 days before the meeting so as to enable the management to workout on the queries and give suitable answer to the extent possible, at the meeting.
7. The relating Explanatory Statement in respect of the Special Business to be transacted at the meeting is appended hereto.

**EXPLANATORY STATEMENT**

The following are the Explanatory Statement in accordance to the Companies Act, 1956 relating to the business mentioned for Special Business No. 5 of the accompanying notice dated 30th June, 2009.

**No. 5**

The Board of Directors had appointed Mr. Anant Veer Harlalka as Additional Director of the Company with effect from 1st December, 2008 as per the Companies Act. Mr. Anant Veer Harlalka was appointed in view of the sudden death of Mr. Madan Lal Harlalka who was a Director of the Company.

Mr. Anant Veer Harlalka cease to hold office at this forthcoming Annual General Meeting but is eligible for appointment as Director. The Board considers it desirable that the Company should continue to avail the services of Mr. Anant Veer Harlalka and accordingly recommends the resolution for approval of the members. Mr. Anant Veer Harlalka is interested in this resolution.

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

Place : Kolkata  
The 30th day of June, 2009

**DIRECTOR'S REPORT**

To The Members  
ADITYA GEARS LTD.

Your Directors present the 14th Annual Report of your Company along with the Audited Statement of Accounts for the Financial Year ended March 31, 2009.

**FINANCIAL RESULTS**

The Financial Results are stated as under :

<u>PARTICULARS</u>	<u>Year Ended 31.03.2009</u> (Rs. in Lacs)
Sales & Operating Income	0.80
Other Income	Nil
Gross Loss before Interest, Depreciation and Taxation	(7.48)
Interest & Finance charges	Nil
Gross Loss after Interest but before Depreciation and Taxation	(7.48)
Depreciation	19.97
Provision for Taxation	Nil
Provision for Fringe Benefit Tax	0.01
Net Loss	(27.46)

**OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK**

The economy is currently emerging out of the slowdown. The Automobile Component Sector is poised to perform well in this turn around. We need fresh inflows of capital to meet our working capital requirements. We also need to settle the Secured Loans. We have got one time settlement approval from our Bankers which has to be paid. We may now have to sell the Fixed Assets of the Company to meet our payment obligations to Bankers and restructure the activities afresh. We once again request shareholders to pay the Call Money arrears which will not only meet the Capital requirement but will also help in reviving the operations. The restructure activity will put us back on performing path and we are confident to renew our growth momentum again. We look forward to your continued support.

**DIVIDEND**

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

**EXPORTS**

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

**CALL MONEY ARREARS**

We request the Share Holders to clear the Call Money who have not done so yet. The Company urgently needs Capital at this point to achieve the growth emerging from the forthcoming opportunities. The Call Money collection will definitely help to achieve the desired results of the Company. The immediate action will be appreciated. The operations can be revived with the infusion of fresh inflows.

**FINANCE**

The Company needs fresh inflow of fund to meet the current capital need. The Board can also consider selling of its Fixed Assets as the situation warrants to meet its commitments to bank and restructure the future activities.

**CONSERVATION OF ENERGY**

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

**PARTICULARS OF EMPLOYEES**

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

**DIRECTORS**

Smt. Sunita Harlalka, retires by rotation as a Director and being eligible, offers herself for re-appointment as Director of the Company.

Mr. Anant Veer Harlalka was appointed as Additional Director with effect from 1st December '2008 in accordance with Articles of Association of the Company and Companies Act, 1956. Mr. Anant Veer Harlalka in his capacity as Additional Director will cease to hold office at the forthcoming Annual General Meeting and is eligible for appointment as a Director.

Sri Madan Lal Harlalka who was a Director of the Company expired on 29th November, 2008. He was the Group founder and guided the Company through thick and thin. We pay homage to the departed soul. We acknowledge his tremendous contribution to the Company and the wealth of experience he brought forth. We deeply mourn his demise and seek his blessing in all our future endeavors.

**AUDITORS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) That in the preparation of the Annual Accounts for the year ended 31st March' 2009, the applicable accounting standards have been followed ;
- b) That such accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March' 2009, and of the profit of the company for the year ;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- d) That the Annual accounts for the year ended 31st March' 2009 have been prepared on a going concern basis.

**ACKNOWLEDGEMENTS**

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

Place : Kolkata  
The 30th day of June, 2009

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



**CORPORATE GOVERNANCE REPORT**

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

**1. Company's Philosophy on Code of Governance**

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

**2. Board of Directors****Composition**

The Board of Directors of the Company is as follows :

Name of Directors	Category	Attendance Particulars		Other Board representation Directorship #
		Board Meetings	Last AGM	
Sri Ashok Kumar Harlalka Chairman and M. D.	Executive	9	Yes	Nil
Sri Madan Lal Harlalka	Executive	6	Yes	Nil
Smt. Sunita Harlalka	Non-Executive	9	Yes	Nil
Sri Anant Veer Harlalka	Non-Executive	3	No	Nil

# Directorship in private limited company is not considered.

Nine Board meetings were held during the financial year 2008-2009. They were held on 30th April '2008, 30th June '2008, 31st July '2008, 5th September '2008, 2nd October '2008, 30th October '2008, 1st December '2008, 30th January '2009 and 30th March '2009. The maximum time gap between any two meetings was not more than four calendar months.

**3. AUDIT COMMITTEE**

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

**COMPOSITION**

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

## ADITYA GEARS LTD.

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The constitution of the Audit Committee is as follows :

1. Smt. Sunita Harlalka : Chairman
2. Sri Madan Lal Harlalka : Member (Upto November '2008)
3. Sri Anant Veer Harlalka : Member (From December '2008)

### MEETINGS AND ATTENDANCE

During the financial year ended 31st March '2009, 4 Audit Committee Meetings were held and all the four meetings were attended by Chairman and one of the members as per the respective months. Mr. Anant Veer Harlalka assumes responsibility on the death of Mr. Madan Lal Harlalka.

### 4. REMUNERATION COMMITTEE

#### Terms of Reference

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

#### Details of Remuneration / Sitting Fees paid to all Directors

The remuneration / Sitting Fees payable to the Executive / Non-Executive Directors for the year 2008-2009 are as under :

<u>Name of the Directors</u>	<u>Remuneration</u>	<u>Sitting Fees</u>	<u>Commission</u>
1. Sri Ashok Kumar Harlalka	60,000	—	—
2. Sri Madan Lal Harlalka	28,000	—	—
3. Smt.Sunita Harlalka	—	13,500	—
4. Sri Anant Veer Harlalka	14,000	—	—

### 5. SHARE HOLDERS COMMITTEE

The Share Holders Committee / Investors Grievance Committee consists of Smt. Sunita Harlalka as Chairman and Sri Madan Lal Harlalka (upto November '2008) and Sri Anant Veer Harlalka (From December '2008) as member of the Committee. Late Mr. Madan Lal Harlalka was a member of the Committee. Since his death Mr. Anant Veer Harlalka has been appointed.

The Committee deals with various matters relating to the transmission of shares, issue of duplicate share certificates, approving the split and consolidation requests and other matters including Shareholder's Complaints and Grievances. There are no investor Grievances and pending Share Transfers as on 31st March '2009.

**6. GENERAL BODY MEETING**

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

Financial Year	Date	Time
2005-2006	23.09.2006	11.00 A.M.
2006-2007	21.09.2007	11.00 A.M.
2007-2008	05.09.2008	11.00 A.M.

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

**7. DISCLOSURE**

- i] The Company has not entered into any transactions of a material nature with the promoters, Directors or the Management, that may have potential conflict with the interest of the Company at large.
- ii] The Company has neither made any non-compliance with any of the legal provisions of the law nor any penalty or stricture has been imposed by the Stock Exchange or SEBI or any other statutory authority, on any matter related to the capital markets, during the last three years. Listing Fees of Stock Exchanges are being pending.
- iii] The appointment of independent Directors etc. as per the revised norms of Clause 49 of the Listing Agreement have to be kept pending in view of the prevailing conditions imposed with regard to the NPA Account with the Bankers. The process will be undertaken once the issue gets resolved with the Bankers.

**8. MEANS OF COMMUNICATION**

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

**9. SHARE HOLDER INFORMATION**

**Registered Office** : 21, Princep Street, Kolkata-700 072.  
**Annual General Meeting** : Date and Time - Sept. 4, 2009 at 11 A.M.  
 Venue - 21, Princep Street, Kolkata-700 072.

**Financial Calender****Financial reporting for the quarter ending**

- o June 30, 2009 - End July 2009.
- o September 30, 2009 - End October 2009
- o December 31, 2009 - End January 2010.
- o March 31, 2010 - End June 2010.

**Date of Book Closure** : 31st to 4th September '2009  
(both days inclusive).

**Dividend Payment Date** : Not Applicable

**Listing on Stock Exchanges** : Kolkata & Mumbai

**Stock Code** : BSE, Mumbai - 531677  
CSE, Kolkata - 11130

**Registrar and Share Transfer Agents**

Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata -700 001.

Telephone Number : 2243 5029/5809 are Registrars and Share Transfer Agents.

**Share Transfer System**

The shares received for transfer in physical mode are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respect.

**Distribution of Shareholding as on March 31, 2009 :**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% Share Holding
1 to 500	262	123700	2.2820
501 to 1,000	1654	1552000	28.6320
1,001 to 2,000	37	49200	0.9076
2,001 to 3,000	36	91300	1.6843
3,001 to 4,000	5	19000	0.3505
4,001 to 5,000	11	54100	0.9984
5,001 to 10,000	53	451700	8.3331
10,001 and above	82	3079500	56.8121
<b>Grand Total</b>	<b>2140</b>	<b>5420500</b>	<b>100.0000</b>

## Share Holding Pattern as on March 31, 2009 :

Category	No. of Shares held	% of Share Capital
Promoter's Holding	913800	16.86
Mutual Funds/UTI	—	—
Banks/Financial Institutions/Insurance Company/Govt. Company	—	—
Private Corporate Bodies	1124900	20.75
NRIs/Foreign Shareholders	—	—
Public/Others	3381800	62.39
<b>TOTAL</b>	<b>5420500</b>	<b>100.00</b>

**Dematerialisation of Shares**

The Dematerialisation of Shares are under process.

**Plant Locations**

A-1164, RIICO Industrial Area, Phase-IV, Bhiwadi - 301 019, Rajasthan

**Investor Correspondence**

For any assistance regarding share transfers, transmission, change of address, non-receipt of annual report and any other query relating to the shares of the Company, please write to  
MAHESHWARI DATAMATICS PVT. LTD.  
6, Mangoe Lane, Kolkata - 700 001.

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Aditya Gears Ltd.

We have examined the compliance of conditions of Corporate Governance by Aditya Gears Ltd., for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the material conditions as per to guidelines of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that based on the records maintained by the Company, no investor grievances are pending against the Company as at March 31, 2009.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

50, Weston Street  
Room No. 301, 3rd Floor  
Kolkata - 700 012  
The 29th day of June, 2009

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
*Partner*  
Membership No. 051601

**AUDITOR'S REPORT**

The Members of  
ADITYA GEARS LTD.

1. We have audited the attached Balance Sheet of ADITYA GEARS LTD. as at 31st March '2009, the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure-A, statement on the matters specified in paragraph 4 & 5 of the said order to the extent applicable.
4. Further to our "NOTES & COMMENTS" in the Annexure referred to in Paragraph 3 above and Annexure 12 forming part of the P/L A/c & Balance Sheet, we report that :-
  - a. We have obtained all the information and explanation 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 it appears from our examination of those books.
  - c. The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account produced before us.
  - d. On the basis of written representations received from the Directors and taken on record by the Board of Directors we report that none of Directors of the Company are disqualified from being appointed as Directors of the Company under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - e. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been drawn up in accordance with the Accounting Standards referred to sub-section(3C) of Section 211 of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, subject to "Notes" on accounts, the said Accounts give the information required by the Companies Act' 1956, in the manner so required to give a true and fair view :-
    - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st, March, 2009.
    - ii) In case of the Profit & Loss Account of the loss for the year ended on that date.
    - iii) In case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

50, Weston Street  
Room No. 301, 3rd Floor  
Kolkata - 700 012  
The 29th day of June, 2009

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
*Partner*  
Membership No. 051601

**ANNEXURE "A" TO THE AUDITOR'S REPORT FOR THE YEAR ENDED 31.03.2009**

(Referred to in paragraph 3 of our Report of even date)

- I. a) As informed the Company has maintained proper records showing full particulars, including quantitative details and situation of its Fixed Assets.
- b) All the fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- c) According to the information and explanation given to us, the company has not disposed off any of its fixed assets.
- II. a) In view of the suspension of operations at the manufacturing unit of the company, the physical verification of inventory had not been carried out.
- b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory as established by the company are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) According to the information and explanations given to us the physical verification of stock at the year end had not been taken hence any material discrepancies between physical stock and the book records could not be ascertained.
- III. a) The Company has neither granted or taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) In view to our comment in paragraph III(a) above, the other clauses of paragraph 4 of the aforesaid Order are not applicable to the company.
- IV. 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 the purchase of inventory, fixed assets and sale of goods. Further during the course of our Audit we neither came across nor have been informed of any continuing failure to correct major weaknesses in internal control.
- V. According to the information and explanations given to us during the year no such transaction is entered in the register maintained under Section 301 of the Companies Act, 1956.
- VI. The Company has not accepted any deposits during the year from the public, under the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. Therefore clause (VI) of paragraph 4 of the aforesaid Order is not applicable to the company.
- VII. During the year, the company has no Internal Audit reporting system in commensurate with size and nature of its business. As per the information given to us the company will implement as it grows.
- VIII. As informed to us by the company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
- IX. a) According to the information and explanation given to us, the company has outstanding liability brought forward from earlier years, in respect of sales tax to the extent of Rs. 47,649/- including R.S.T., C.S.T., S.T. on a/c of supplier, surcharge & contractor. The company also has overdue



outstanding liability in respect of Provident Fund Rs. 5,373/- & Professional Tax Rs. 5,890/-.

- b) As informed to us there are no dues of Sales Tax, Income Tax, Custom Tax, Wealth Tax, Excise duty, Cess for the financial year ended 31st March '2009, which have not been deposited on account of any dispute
- X. The Company has accumulated losses as at the end of the Financial Year 31/03/2009 to the extent of Rs. 4,04,73,386.00 which is more than fifty percent of its net worth. The company has incurred cash losses in the financial year ending 31st March '2009 and in the financial year immediately preceding such financial year.
- XI. In our opinion and according to the information and explanations given to us the company has an overdue outstanding liability of Secured Loans to a Bank. The amount outstanding as at 31st March, 2009 is Rs. 2,47,59,455.00. The company has not provided for interest on Secured loan.
- XII. As informed to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion the Company is not a Chit fund or a Nidhi / mutual benefit fund/society. Therefore the provisions of clause (XIII) of paragraph 4 of the aforesaid Order is not applicable to the company.
- XIV. To the best of our knowledge and belief and according to the information and explanations given to us the company is not dealing or trading in shares, securities, debentures and other investments.
- XV. As informed to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- XVI. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- XVII. On the basis of an overall examination of the Balance Sheet of the Company and according to the information and explanation given to us, no such funds raised on short term basis have been used for long term investment and vice versa.
- XVIII. According to the information and explanation given to us 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. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not issued any Debentures during the year.
- XX. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- XXI. During the course of our examination of the books of Account carried out in accordance with generally accepted auditing practices, we have neither come across any instance of fraud, on or by the company nor have we been informed of any such case by the management.

50, Weston Street  
Room No. 301, 3rd Floor  
Kolkata - 700 012  
The 29th day of June, 2009

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
Partner  
Membership No. 051601

ADITYA GEARS LTD.

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**BALANCE SHEET AS AT 31ST MARCH, 2009**

	<u>Schedule</u>	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>I. SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	1	4,01,28,250	4,01,28,250
Reserves & Surplus	2	15,00,000	15,00,000
<b>LOAN FUNDS</b>			
Secured Loan	3	2,47,59,455	2,47,59,455
		<u>6,63,87,705</u>	<u>6,63,87,705</u>
<b>II. APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block (At Cost)	4	4,75,26,733	4,75,26,733
Less : Depreciation		<u>2,10,42,319</u>	<u>1,90,45,246</u>
Net Block		2,64,84,414	2,84,81,487
Capital Work-in-Progress B/f		<u>6,00,000</u>	<u>6,00,000</u>
Investments (N.S.C.)		3,000	3,000
<b>A. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	5	15,25,380	16,05,431
Sundry Debtors		56,07,961	58,67,961
Cash & Bank Balances		56,683	39,833
Loans & Advances		<u>6,25,645</u>	<u>6,37,461</u>
Total (A) :		<u>78,15,669</u>	<u>81,50,686</u>
Less :			
<b>B. CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	6	97,47,060	97,12,284
Total (B) :		<u>97,47,060</u>	<u>97,12,284</u>
<b>NET CURRENT ASSETS (A-B)</b>		(19,31,391)	(15,61,598)
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or Adjusted)			
Preliminary & Public Issue Expenses		7,58,296	11,37,445
Profit & Loss A/c.		<u>4,04,73,386</u>	<u>3,77,27,371</u>
Total :		<u>6,63,87,705</u>	<u>6,63,87,705</u>

"NOTES" TO THE ACCOUNTS IN ANNEXURE "12" ANNEXED

50, Weston Street,  
Room No. 301, 3rd Floor  
Kolkata-700 012  
The 29th day of June, 2009

As per our report of even date annexed

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
Partner

ASHOK KUMAR HARLALKA  
SUNITA HARLALKA  
Directors

## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	For the year ended 31st March, 2009 Rupees	For the year ended 31st March, 2008 Rupees
<b>I. INCOME :</b>			
Sales & Job Work (Incl. Excise Duty)	8	80,052	47,387
		<u>80,052</u>	<u>47,387</u>
<b>II. EXPENDITURE :</b>			
Manufacturing Expenses	9	48,713	69,402
Excise Duty		11,042	6,536
Administrative, Selling & Distribution Expenses	10	3,09,465	3,22,727
Depreciation		19,97,073	19,97,073
(Increase)/Decrease in Stock	11	80,051	47,388
Public Issue & Preliminary Exp. W/off		3,79,149	3,79,149
		<u>28,25,493</u>	<u>28,22,275</u>
Profit / (Loss) Before Tax		(27,45,441)	(27,74,888)
Provision for Taxation - Current		NIL	NIL
- Deferred		NIL	NIL
- Fringe Benefit Tax		574	540
Profit / (Loss) After Tax		(27,46,015)	(27,75,428)
Loss B/F from last year		(3,77,27,371)	(3,49,51,943)
Balance C/F to Balance Sheet		<u>(4,04,73,386)</u>	<u>(3,77,27,371)</u>
Earning Per Share (Basic & Diluted)		(0.68)	(0.69)

"NOTES" TO THE ACCOUNTS IN ANNEXURE "12" ANNEXED

50, Weston Street,  
Room No. 301, 3rd Floor  
Kolkata-700 012  
The 29th day of June, 2009

As per our report of even date annexed

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
Partner

ASHOK KUMAR HARLALKA  
SUNITA HARLALKA  
Directors

## ADITYA GEARS LTD.

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**SCHEDULE - 04 : FIXED ASSETS TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2009**

(Rounded to Rupees)

PARTICULARS	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK		
	Balance As On 01.04.2008	Addition/ (Deletion) During the Year 31.03.2009	Bal. As On 01.04.2008	Deprecia- tion For The Year	Disposed Off During The Year	Upto 31.03.2009	As On 31.03.2009	As On 31.03.2008
1. LAND	31,99,644	—	—	—	—	—	31,99,644	31,99,644
2. FACTORY BUILDING	78,79,270	—	26,37,668	2,63,168	—	29,00,836	49,78,434	52,41,602
3. PLANT & MACHINERY	3,38,63,997	—	1,51,47,603	16,08,540	—	1,67,56,143	1,71,07,854	1,87,16,394
4. FURNITURE & FIXTURES	1,38,808	—	87,000	8,787	—	95,787	43,021	51,808
5. OFFICE EQUIPMENTS	27,799	—	16,200	1,760	—	17,960	9,839	11,599
5. ELECTRICAL INSTALLATION	24,17,215	—	11,56,775	1,14,818	—	12,71,593	11,45,622	12,60,440
<b>TOTAL</b>	<b>4,75,26,733</b>	<b>—</b>	<b>1,90,45,246</b>	<b>19,97,073</b>	<b>—</b>	<b>2,10,42,319</b>	<b>2,64,84,414</b>	<b>2,84,81,487</b>
<b>PREVIOUS YEAR</b>	<b>4,75,26,733</b>	<b>—</b>	<b>1,70,48,173</b>	<b>19,97,073</b>	<b>—</b>	<b>1,90,45,246</b>	<b>2,84,81,487</b>	<b>3,04,78,560</b>

**ADITYA GEARS LTD.**

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**"SCHEDULES" TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2009**

	31st March 2009 Rupees	31st March 2008 Rupees
<b>SCHEDULE - 5 : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>INVENTORIES</b>		
(As taken, valued & certified by the Management)		
Finished Goods		
(At cost or market value which ever is lower)		
Kolkata	5,41,670	6,21,721
Bhiwadi b/f	2,57,620	2,57,620
Work In Progress b/f	1,45,500	1,45,500
Stores & Tools b/f	5,80,590	5,80,590
	<u>15,25,380</u>	<u>16,05,431</u>
<b>SUNDRY DEBTORS</b>		
<b>(CONSIDERED GOODS)</b>		
Less than 6 months	NIL	NIL
Others	56,07,961	58,67,961
	<u>56,07,961</u>	<u>58,67,961</u>
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand (As certified by the management)		
Kolkata	38,965	22,454
Bhiwadi	NIL	NIL
<b>BALANCE WITH SCHEDULED BANKS :</b>		
Bank Account (As per Details)	17,718	17,379
	<u>56,683</u>	<u>39,833</u>
<b>LOANS &amp; ADVANCES</b>		
Deposits	2,67,478	2,68,252
Other advances	2,83,455	2,83,455
Balance with Bhiwadi	74,712	85,754
	<u>6,25,645</u>	<u>6,37,461</u>

**"SCHEDULES" TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2009**

	31st March 2009 Rupees	31st March 2008 Rupees
	<u>          </u>	<u>          </u>
<b>SCHEDULE - 6 : CURRENT LIABILITIES &amp; PROVISIONS :</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	58,34,202	58,28,736
Other Liabilities	37,82,181	37,51,794
G. Agarwal & Associates	1,29,997	1,31,724
Fringe Benefit Tax	49	30
V.A.T.	631	NIL
	<u>97,47,060</u>	<u>97,12,284</u>

**SCHEDULE - 7 : MISCELLANEOUS EXPENDITURE**  
(To the extent not yet written off or adjusted)

Preliminary Expenses	50,985	76,480
Public Issue Expenses	7,07,311	10,60,965
	<u>7,58,296</u>	<u>11,37,445</u>

**"SCHEDULES" TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 31ST MARCH, 2009**

**SCHEDULE - 8 : SALES (Including E.D.) & JOB WORK CHARGES**

Sales incl. E / Duty		
Kolkata	80,052	47,387
Bhiwadi	Nil	Nil
	<u>80,052</u>	<u>47,387</u>

**SCHEDULE - 9 : MANUFACTURING EXPENSES**

Repairs & Maintenance	18,713	25,402
Other Manufacturing Expenses	30,000	44,000
	<u>48,713</u>	<u>69,402</u>

**ADITYA GEARS LTD.**

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**"SCHEDULES" TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	31st March 2009 Rupees	31st March 2008 Rupees
<b>SCHEDULE - 10 : ADMINISTRATIVE, SELLING &amp; DISTRIBUTION EXPENSES</b>		
Bank Charges	405	366
Car Expenses	NIL	938
Consultancy Charges & Prof. Fees	5,500	5,500
Electricity Charges	2,335	2,215
Filing fees	1,500	5,000
Salary & Bonus	29,000	27,000
Postage & Stamp	8,680	8,935
Printing & Stationery	5,998	7,371
Statutory Charges	2,446	NIL
Rent, Rates & Taxes	16,500	16,500
Auditors' Remuneration	8,273	16,854
Directors' Remuneration & Sitting Fees	1,15,500	1,15,500
Telephone Charges	3,038	3,615
Travelling & Conveyance	5,384	3,383
Advertisement / Publicity Expenses	4,422	3,424
Freight & Forwarding	1,051	629
General Expenses	27,618	29,767
Listing fees	34,125	32,750
Shareholder's Expenses	37,690	42,980
	<u>3,09,465</u>	<u>3,22,727</u>

**SCHEDULE - 11 : INCREASE / (DECREASE) IN STOCK**

**CLOSING STOCK OF**

Finished Goods	(A)	7,99,290	8,79,341
Less : Opening Stock of Finished Goods	(B)	8,79,341	9,26,729
<b>INCREASE / (DECREASE) IN STOCK</b>	<b>(A - B)</b>	<u>(80,051)</u>	<u>(47,388)</u>

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH '2009**

**ANNEXURE - 12**

- 1. Basis of preparation of Financial Statements & its significant Accounting Policies & Audit Notes thereon :**

The financial statements of the Company are prepared under the Historical Cost Convention on accrual basis of accounting, in accordance with the standards issued by the Institute of Chartered Accountants of India and referred to in section 211 (3C) of the Companies Act, 1956.
- 2. Fixed Assets :-**

Fixed Assets are stated at cost less accumulated depreciation.
- 3. Depreciation :-**

Depreciation on all fixed assets is provided using Straight Line method pro-rata to the period of use of assets, in the manner specified in schedule XIV of the Companies Act, 1956, at the rates prescribed therein.
- 4. Investment :-**

Investment in NSC is considered as long term and shown at cost.
- 5. Inventories :-**

Inventories are valued as under :-  
Finished Goods - At Cost or Market Value whichever is lower.  
Work in Progress - At Cost or Market Value whichever is lower - (The cost of WIP includes manufacturing overhead).  
Stores & Spares - At Cost or Market Value whichever is lower.  
(The Management certifies the above)
- 6. Sales :-**

The Company recognises sale of goods on the despatch to customers. Sale comprises the amounts invoiced for goods sold inclusive of excise duty, but net of Sales Tax, returns and trade discounts.
- 7. Interest :-**

The Company has not provided interest on Secured Loan during the year.
- 8. Retirement Benefit :-**

The Company has not incurred any retirement benefits to the employees and also no provision has been made so far.
- 9. Capital work-in-progress :-**

Capital work-in-progress included advances against Capital Expenditure towards Plant & Machinery and others ; the ownership thereof has not been vested with the Company. It is brought forward from earlier years.
- 10. MODVAT Credit :-**
  - a) The value of eligible Modvat credit against Central Excise Duty paid has been adjusted against the relevant materials purchased.



## ADITYA GEARS LTD.

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- b) Modvat credit so availed has been adjusted against Central Excise Duty incurred on finished goods and scrap despatched and unavailed duty is carried over as advance.

### 11. Deferred Revenue Expenditure :-

Preliminary Expenses and Public Issue Expenses are written off over a period of 10 years.

### 12. Subsidy (Reserve & Surplus) :-

State-Subsidy so received in earlier years has been brought forward in this year also and no addition is made during the year.

### 13. Director's Remuneration :-

Rs. 1,15,500.00 has been paid to the Managing Director and other Director which is yearly remuneration/sitting fees paid as per Schedule XIII of the Companies Act, 1956 which are within limits of Companies Act.

### 14. The Company has not provided for Deferred Taxes during the year.

### 15. Additional information pursuant to the provision of the paragraph 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956.

#### A) Particulars in respect of Sales & Stock with its value & Qty. :-

Description	Opening Stock		Sales at Cost		Closing Stock	
	Qty. in Nos.	Value	Qty. in Nos.	Value	Qty. in Nos.	Value
Finished Goods (Gears)	2359	879341	183	80051	2176	799290

#### B) Particulars of Raw Materials consumed :-

Description	Qty. in No.	Value
Forging	NIL	NIL

#### C) Particulars of capacity utilisation :-

Description	Licensed Capacity	**Installed Capacity	**Actual Utilisation
Forging (Raw Material)	1000 M. T.	384 M. T.	NIL

\*\* (The above are certified by the management)

16. Calls in Arrears of earlier year amounting to Rs. 1,40,76,750/- has not been received. Forfeiture procedure is awaited by the Company. Interest receivable on Allotment Money and Call Money on unpaid amount, are not accounted in this year. Such will be accounted for on receipts only.

17. The following Statutory Expenses are outstanding for more than six months while they become payable. These are carried forward from earlier years.

Nature	Amount Outstanding as at 31.03.2009
a) C.S.T. (Bhiwadi)	33,883.00
b) Surcharge (Bhiwadi)	658.00

c) R.S.T. B/F	6,126.00
d) S.T. (Supplier)	1,875.00
e) Sales Tax (Contractor)	5,107.00
f) Prof. Tax	5,890.00
g) P.F.	5,373.00

**18. Professional Tax :**

No Professional Tax has been deducted from employees during the year as told to us.

**19. Related Party Disclosures As per Accounting Standard - 18 :-****a) Name of Related Parties**

Associate Companies	Ashok Agencies Pvt. Ltd. Ashok Autonet Pvt. Ltd.
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**b) List of Directors & Changes therein**

Ashok Kumar Harlalka	Chairman / Mg. Director
Sunita Harlalka	Director
Anant Veer Harlalka	Additional Director appointed
Madan Lal Harlalka	Ceased to be director due to death

**c) Transaction with Related Parties for the year ended 31.03.09 :**

	<u>Associates</u>
Telephone Expn.	3,038.00
Electricity	2,335.00
Rent	16,500.00
Sales	16,407.00

**d) Transaction with Directors for the year ended 31.03.09 :**

Remuneration to Managing Director	60,000.00
Remuneration/Sitting Fees to other Directors	55,500.00
	<u>1,15,500.00</u>

**20. Earning per Share of Rs. 10/- each (As per AS - 20) :**

	<u>31-3-2009</u>	<u>31-3-2008</u>
Loss as per Profit & Loss Account	2746015	2775428
Weighted No. of Equity Shares o/s during the year	4012850	4012850
Basic and Diluted EPS	(0.68)	(0.69)

21. Previous years figures have been re-grouped & re-arranged wherever felt necessary.

**Signatures to Schedule "1" to "12"**

As per our report of even date annexed

50, Weston Street,  
Room No. 301, 3rd Floor  
Kolkata-700 012  
The 29th day of June, 2009

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
Partner

ASHOK KUMAR HARLALKA  
SUNITA HARLALKA  
Directors

## ADITYA GEARS LTD.

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### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE As per part (IV) of Schedule (VI) of the Companies Act, 1956

I. **Registration Details :**

Registration Number	73555	State Code	21
Balance Sheet Date	31.03.2009		

II. **Capital Raised during the year (Amount in Thousand) :**

Public issue	NIL	Rights issue	NIL
Bonus Issue	NIL	Private Placement/Others	NIL

III. **Position of Mobilisation and Deployment of Funds (Amount in Thousand) :**

Total Liabilities	76134.77	Total Assets	76134.77
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**Source of Funds**

Paid-up Capital	40128.25	Reserves & Surplus	1500.00
Deferred Tax Liability	NIL	Secured Loan	24759.46
Unsecured Loans	NIL		

**Application of Funds**

Net Fixed Assets	27084.41	Investments	3.00
Net Current Assets	(1931.39)	Misc. Expenditure	758.30
Accumulated Losses	40473.39		

IV. **Performance of Company (Amount in Thousand) :**

Turnover	80.05	Total Expenditure	2825.49
Profit / (Loss) before Tax	(2745.44)	Profit / (Loss) after Tax	(2746.02)
Earning per Shares in Rs.	(0.68)	Dividend Rate	NIL

V. **Generic Names of Three Principal Products/Services of the Company :**  
(As per monetary terms)

Item Code No. : (ITC Code)	8483
Product Description : (To be manufactured)	TRANSMISSION GEAR, SHAFTS & CROWN WHEEL PINIONS, BEVEL PINIONS

ASHOK KUMAR HARLALKA  
SUNITA HARLALKA  
Directors

Dated : The 29th day of June, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Year ended 31st March, 2009		Year ended 31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flow arising from Operating Activities :</b>				
Net Profit/(Loss) before Tax		(27,46,015)		(27,75,428)
Add back : a) Depreciation	19,97,073		19,97,073	
b) Interest and Finance Charges	NIL	19,97,073	NIL	19,97,073
		(7,48,942)		(7,78,355)
<b>Operating Profit before Working Capital Changes :</b>				
Add : a) Decrease in Trade & Other Recievables	2,71,816		1,81,536	
b) Increase in Trade Payables	34,776		9,48,720	
c) Decrease in Inventory	80,051	3,86,643	47,388	11,77,644
Cash Inflow/(Outflow) from Operation (A)		(3,62,299)		3,99,289
<b>B. Cash Flow arising from Investing Activities :</b>				
Outflow : a) Acquisition of Fixed Assets Including Capital work-in-progress		NIL		NIL
b) Decrease in Misc. Expenditure		3,79,149		3,79,149
Net Cash (Outflow) in the course of Investing Activities (B)		3,79,149		3,79,149
<b>C. Cash Flow arising from Financing Activities :</b>				
Net Cash (Outflow) in payment of Secured Loan (C)		NIL		(8,00,000)
<b>Net Cash inflow in the course of Financing Activities :</b>				
Net Increase/(decrease) in Cash/Cash Equivalents (A+B+C)		16,850		(21,562)
Add : Balance at the begining of the year		39,833		61,395
Cash/Cash Equivalents at the close of the year		56,683		39,833

*"Notes" to the Account in Annexure "12" annexed*

As per our report of even date annexed

50, Weston Street,  
Room No. 301, 3rd Floor  
Kolkata-700 012  
The 29th day of June, 2009

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
Partner

ASHOK KUMAR HARLALKA  
SUNITA HARLALKA  
Directors

# ADITYA GEARS LTD.

Registered Office : 21, Princep Street, 1st Floor, Kolkata - 700 072

## PROXY FORM

I/We \_\_\_\_\_

of being a Member/Members of **ADITYA GEARS LTD.** \_\_\_\_\_

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

as my / our proxy to attend and vote for me / us on my / our behalf at the 14th Annual General Meeting of the Company to be held on Friday, the 4th day of September, 2009 at 11 a.m. and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signed by the said \_\_\_\_\_

Folio No. \_\_\_\_\_

**NOTE :** The proxy must be returned so as to reach the Regd. Office of the Company at 21, Princep Street, 1st floor, Kolkata - 700 072 not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

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# ADITYA GEARS LTD.

Registered Office : 21, Princep Street, 1st Floor, Kolkata - 700 072

## 14TH ANNUAL GENERAL MEETING

### ATTENDANCE SLIP

DATE	VENUE	TIME
4th September, 2009	21, Princep Street, 1st Floor, Kolkata-700 072	11.00 A.M.

I certify that I am a registered Shareholder of the Company and hold ..... shares having Folio No. ....

\_\_\_\_\_  
Member's Signature

\_\_\_\_\_  
Name of the Proxy in Block Letter

\_\_\_\_\_  
Proxy's Signature

**NOTE :** Shareholder/Proxyholder wishing to attend the meeting must bring the Admission Slip to the meeting and hand over at the entrance duly signed.

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