



# **ADITYA GEARS LTD.**

**ANNUAL REPORT  
2010 - 2011**

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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  
INDIAN BANK  
AXIS BANK

**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

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## NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of the Members of ADITYA GEARS LTD. will be held at 21, Princep Street, Kolkata - 700 072 on Friday, the 16th day of September, 2011 at 11.00 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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.

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

Place : Kolkata  
The 30th day of June, 2011

### IMPORTANT NOTES :

1. The Register of Members of the Company will remain closed from 12th September, 2011 to 16th September, 2011 (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.

**DIRECTOR'S REPORT**

To The Members  
ADITYA GEARS LTD.

Your Directors present the 16th Annual Report of your Company along with the Audited Statement of Accounts for the Financial Year ended March 31, 2011.

**FINANCIAL RESULTS**

The Financial Results are stated as under :

PARTICULARS	Year Ended 31.03.2011 (Rs. in Lacs)
Sales & Operating Income	1.04
Other Income	149.13
Gross Income / (Loss) before Interest, Depreciation and Taxation	84.29
Interest & Finance charges	117.28
Gross Loss after Interest but before Depreciation and Taxation	(32.99)
Depreciation	Nil
Provision for Taxation	Nil
Provision for Fringe Benefit Tax	Nil
Net Loss	(32.99)

**OPERATIONAL PERFORMANCE AND FUTURE OUTLOOK**

We had sold the Fixed Assets at Bhiwadi of the Company and the Bank liabilities are settled and paid in full and final. The DRT case had been withdrawn and No dues letter from Bank had also been received.

We appreciate and understand the hardship being faced by the Shareholders and assure you that the coming years will be rewarding. We will be needing some period having been able to overcome the inevitable Bank Auction scenario. We will now be able to undertake new venture with proper vigour and ease. The renewed activities will be undertaken after due diligence for reviving the future prospects of the Company.

We once again request shareholders to pay Call Money arrear. The overdue interest have been waived and request you to pay the arrears. This non-payment had disturbed the working in the initial stage and any further delay will hemper the future prospects.

**DIVIDEND**

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

**EXPORTS**

The export markets will be explored as the future opportunities emerges.

**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 definetely help to achieve the results of the Company.

**FINANCE**

The Company needs fresh inflow of fund to meet the capital requirement.

**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.

**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' 2011, 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' 2011, 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' 2011 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, 2011

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	10	Yes	Nil
Smt. Sunita Harlalka	Non-Executive	10	Yes	Nil
Sri Anant Veer Harlalka	Non-Executive	5	Yes	Nil

# Directorship in private limited company is not considered.

Ten Board meetings were held during the financial year 2010-2011. They were held on 7th April '2010, 27th May '2010, 30th June '2010, 31st July '2010, 13th August '2010, 27th August '2010, 15th November '2010, 29th January '2011, 15th February '2011 and 29th March '2011. 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.

The constitution of the Audit Committee is as follows :

1. Smt. Sunita Harlalka : Chairman
2. Sri Anant Veer Harlalka : Member

#### MEETINGS AND ATTENDANCE

During the financial year ended 31st March '2011, 4 Audit Committee Meetings were held and all the four meetings were attended by Chairman.

#### 4. REMUNERATION COMMITTEE

##### Terms of Reference

The Managing Director on the Board of the Company, 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 2010-2011 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. Smt. Sunita Harlalka	—	15,000	—
3. Sri Anant Veer Harlalka	—	7,500	—

#### 5. SHARE HOLDERS COMMITTEE

The Shareholders Committee / Investors Grievance Committee consists of Smt. Sunita Harlalka as Chairman.

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 '2011.

#### 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
2007-2008	05.09.2008	11.00 A.M.
2008-2009	04.09.2009	11.00 A.M.
2009-2010	27 08.2010	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. The issue with the Bankers have been now resolved the due process will be initiated.

#### 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 published in Echo of India and Arthik Lipi for 1st three quarters and the result of last quarter and Annual audited result are published in Financial Express and Duranta Barta.

#### 9. SHARE HOLDER INFORMATION

**Registered Office** : 21, Princep Street, Kolkata-700 072.

**Annual General Meeting** : Date and Time - September 16, 2011 at 11 A.M.

Venue - 21, Princep Street, Kolkata-700 072.



## ADITYA GEARS LTD.

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### Financial Calender

#### Financial reporting for the quarter ending

- o June 30, 2011 - End 15th August, 2011
- o September 30, 2011 - End 15th November, 2011
- o December 31, 2011 - End 15th February, 2012
- o March 31, 2012 - End June, 2012

**Date of Book Closure** : 12th September to 16th September, 2011  
(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, 2011 :

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% Share Holding
1 to 500	265	124400	2.2950
501 to 1,000	1653	1551400	28.6210
1,001 to 2,000	37	49200	0.9077
2,001 to 3,000	35	88800	1.6382
3,001 to 4,000	5	19000	0.3505
4,001 to 5,000	11	54100	0.9981
5,001 to 10,000	53	454700	8.3885
10,001 and above	82	3078900	56.8010
<b>Grand Total</b>	<b>2141</b>	<b>5420500*</b>	<b>100.0000</b>

\* Note : 18,82,200 Shares are un-paid.

## ADITYA GEARS LTD.

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### Share Holding Pattern as on March 31, 2011 :

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>

\* Note : 18,82,200 Shares are un-paid.

### Dematerialisation of Shares

The Dematerialisation of Shares are under process.

### 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, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in the Republic of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guiding Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing agreement) issued by The Institute of Chartered Accountants of India and 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 and representation made by the management, we certify that the Company has complied with all the material conditions 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, 2011.

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.

Suit # 204  
Diamond Prestige  
41A, AJC Bose Road  
Kolkata - 700 017  
The 27th day of June, 2011

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
*Partner*  
Membership No. 051601  
Firm Reg. No. 314088E

## 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, 2011, 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 and as amended by the Companies (Auditors Report) (Amendment) Order, 2004 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, 2011.
    - 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.

Suit # 204  
Diamond Prestige  
41A, AJC Bose Road  
Kolkata - 700 017  
The 27th day of June, 2011

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
Partner  
Membership No. 051601  
Firm Reg. No. 314088E

**ANNEXURE "A" TO THE AUDITOR'S REPORT FOR THE YEAR ENDED 31.03.2011**

(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 disposed off all of its fixed assets during the year. However, as per information and explanation provided by the company will continue to be a "Going Concern".
- 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 there were no inventory as at the end of the year and as informed 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 the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- 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. 33,883/-. The

company also has overdue outstanding liability in respect of Professional Tax Rs. 5,890/- brought forward from earlier years.

- 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 '2011, which have not been deposited on account of any dispute.
- X. The Company has accumulated losses as at the end of the Financial Year 31/03/2011 to the extent of Rs. (46271006/-) which is more than One Hundred percent of its net worth. The company has not incurred cash losses in the financial year ending 31st March '2011 but had incurred cash losses in the financial year immediately preceding such financial year.
- XI. As informed to us the company has cleared/settled all overdue outstanding liability of Secured Loans to the Banks. The company has provided for interest on Secured loan for Rs. 11727925/- during the year.
- 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.

Suit # 204  
Diamond Prestige  
41A, AJC Bose Road  
Kolkata - 700 017  
The 27th day of June, 2011

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
Partner  
Membership No. 051601  
Firm Reg. No. 314088E

## BALANCE SHEET AS AT 31ST MARCH, 2011

	<u>Schedule</u>	<u>AMOUNT</u> <u>31.03.2011</u> Rs.	<u>AMOUNT</u> <u>31.03.2010</u> Rs.
<b>I. SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	1	4,01,28,250	4,01,28,250
<b>LOAN FUNDS</b>			
Secured Loan	2	Nil	2,47,59,455
		<u>4,01,28,250</u>	<u>6,48,87,705</u>
<b>II. APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block (At Cost)	3	Nil	4,75,26,733
Less : Accumulated Depreciation		Nil	<u>2,30,39,392</u>
Net Block		Nil	2,44,87,341
Investments (N.S.C.)		3,000	3,000
<b>A. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	4	Nil	1,04,459
Sundry Debtors		36,835	43,81,744
Cash & Bank Balances		4,12,400	22,58,745
Loans & Advances		Nil	10,27,338
Total (A) :		<u>4,49,235</u>	<u>77,72,286</u>
Less :			
<b>B. CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	5	65,94,991	1,07,26,200
Total (B) :		<u>65,94,991</u>	<u>1,07,26,200</u>
NET CURRENT ASSETS (A-B)		(61,45,756)	(29,53,914)
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or Adjusted)			
Preliminary & Public Issue Expenses	6	Nil	3,79,147
Profit & Loss A/c.		4,62,71,006	4,29,72,131
Total :		<u>4,01,28,250</u>	<u>6,48,87,705</u>

"NOTES" TO THE ACCOUNTS IN ANNEXURE "11" ANNEXED

Suit # 204  
Diamond Prestige  
41A, AJC Bose Road  
Kolkata - 700 017  
The 27th day of June, 2011

As per our report of even date annexed  
For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
Partner  
Firm Reg. No. 314088E

ASHOK KUMAR HARLALKA  
SUNITA HARLALKA  
Directors

## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	AMOUNT 31.03.2011 Rs.	AMOUNT 31.03.2010 Rs.
<b>I. INCOME :</b>			
Sales & Job Work (Incl. Excise Duty)	7	1,04,459	14,27,211
Other Income	8	1,49,12,659	19,47,478
		<u>1,50,17,118</u>	<u>33,74,689</u>
<b>II. EXPENDITURE :</b>			
Manufacturing Expenses		10,000	37,666
Excise Duty		14,409	60,303
Administrative, Selling & Distribution Expenses	9	12,32,863	2,95,194
Bad Debts written off		48,47,170	16,83,128
Bank Interest		1,17,27,925	Nil
Depreciation		Nil	19,97,073
(Increase)/Decrease in Stock	10	1,04,459	6,94,831
(Increase)/Decrease in WIP		Nil	1,45,500
(Increase)/Decrease in stores & tools		Nil	5,80,590
Public Issue & Preliminary Exp. W/off		3,79,147	3,79,149
		<u>1,83,15,973</u>	<u>58,73,434</u>
Profit / (Loss) Before Tax		(32,98,855)	(24,98,745)
Provision for Taxation - Current		Nil	Nil
- Earlier Years		20	Nil
- Deferred		Nil	Nil
Profit / (Loss) After Tax		<u>(32,98,875)</u>	<u>(24,98,745)</u>
Loss B/F from last year		(4,29,72,131)	(4,04,73,386)
Balance C/F to Balance Sheet		<u>(4,62,71,006)</u>	<u>(4,29,72,131)</u>
Earning Per Share (Basic & Diluted)		(0.82)	(0.62)

"NOTES" TO THE ACCOUNTS IN ANNEXURE "11" ANNEXED

Suit # 204  
Diamond Prestige  
41A, AJC Bose Road  
Kolkata - 700 017  
The 27th day of June, 2011

As per our report of even date annexed  
For G. AGARWAL & ASSOCIATES  
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Partner  
Firm Reg. No. 314088E

ASHOK KUMAR HARLALKA  
SUNITA HARLALKA  
Directors



**"SCHEDULES" TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011**

	AMOUNT 31.03.2011 Rs.	AMOUNT 31.03.2010 Rs.
	<u>                    </u>	<u>                    </u>
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL :</b>		
70,00,000 Equity Shares @ Rs. 10/- Each	7,00,00,000	7,00,00,000
	<u>                    </u>	<u>                    </u>
<b>ISSUED AND SUBSCRIBED :</b>		
54,20,500 Equity Shares @ Rs. 10/- Each	5,42,05,000	5,42,05,000
	<u>                    </u>	<u>                    </u>
	5,42,05,000	5,42,05,000
	<u>                    </u>	<u>                    </u>
<b>PAID-UP :</b>		
54,20,500 Equity Shares @ Rs. 10/- Each fully paid up in Cash (Rs. 1,40,76,750 is due against Allotment & Call Money)	4,01,28,250	4,01,28,250
	<u>                    </u>	<u>                    </u>
	4,01,28,250	4,01,28,250
	<u>                    </u>	<u>                    </u>
<b>SCHEDULE - 2 : SECURED LOANS B/F :</b>		
ORIENTAL BANK OF COMMERCE : TERM LOAN A/C (i) (Against Mortgage of Fixed Assets)	Nil	68,32,552
ORIENTAL BANK OF COMMERCE : TERM LOAN A/C (ii) (Against Mortgage of Fixed Assets)	Nil	63,47,526
ORIENTAL BANK OF COMMERCE : CC A/C (Against Hypothecation of Book-Debts, Stocks Viz. Raw-Materials, FG, WIP, Stores & Spares etc.)	Nil	1,02,28,473
ORIENTAL BANK OF COMMERCE	Nil	13,50,904
	<u>                    </u>	<u>                    </u>
	Nil	2,47,59,455
	<u>                    </u>	<u>                    </u>

**SCHEDULE - 03 : FIXED ASSETS TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011**

(Rounded to Rupees)

Rate of Dep.	Particulars	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
		Balance As On 01.04.2010	Addition/ (Deletion) During the Year	Balance As On 31.03.2011	Bal. As On 01.04.2010	Depreciation during The Year	Disposed Off During The Year	Upto 31.03.2011	As On 31.03.2011	As On 31.03.2010
0%	Land	31,99,644	(31,99,644)	—	—	—	—	—	—	31,99,644
3.34%	Factory Building	78,79,270	(78,79,270)	—	31,64,004	—	(31,64,004)	—	—	47,15,266
4.75%	Plant & Machinery	3,38,63,997	(3,38,63,997)	—	1,83,64,683	—	(1,83,64,683)	—	—	1,54,99,314
6.33%	Furniture & Fixtures	1,38,808	(1,38,808)	—	1,04,574	—	(1,04,574)	—	—	34,234
4.75%	Office Equipments	27,799	(27,799)	—	19,720	—	(19,720)	—	—	8,079
4.75%	Electrical Installation	24,17,215	(24,17,215)	—	13,86,411	—	(13,86,411)	—	—	10,30,804
<b>TOTAL</b>		<b>4,75,26,733</b>	<b>(4,75,26,733)</b>	—	<b>2,30,39,392</b>	—	<b>(2,30,39,392)</b>	—	—	<b>2,44,87,341</b>
	<b>PREVIOUS YEAR</b>	<b>4,75,26,733</b>	—	<b>4,75,26,733</b>	<b>2,10,42,319</b>	<b>19,97,073</b>	—	<b>2,30,39,392</b>	<b>2,44,87,341</b>	<b>2,64,84,414</b>

**"SCHEDULES" TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011**

	AMOUNT 31.03.2011 Rs.	AMOUNT 31.03.2010 Rs.
	<u>                    </u>	<u>                    </u>
<b>SCHEDULE - 4 : 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	Nil	1,04,459
	<u>Nil</u>	<u>1,04,459</u>
 <b>SUNDRY DEBTORS</b>		
Less than 6 months	Nil	Nil
Others	36,835	43,81,744
	<u>36,835</u>	<u>43,81,744</u>
 <b>CASH &amp; BANK BALANCES</b>		
Cash in Hand (As certified by the management)		
Kolkata	1,70,667	10,13,103
Bhiwadi	Nil	Nil
 <b>BALANCE WITH SCHEDULED BANKS :</b>		
Bank Account (As per Details Sheet)	2,41,733	12,45,642
	<u>4,12,400</u>	<u>22,58,745</u>
 <b>LOANS &amp; ADVANCES</b>		
Deposits	Nil	2,29,474
Other advances	Nil	2,83,455
Balance with Bhiwadi	Nil	14,409
OBC - No lien deposit	Nil	5,00,000
	<u>Nil</u>	<u>10,27,338</u>

**"SCHEDULES" TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011**

	AMOUNT 31.03.2011 Rs.	AMOUNT 31.03.2010 Rs.
	<u>                    </u>	<u>                    </u>
<b>SCHEDULE - 5 : CURRENT LIABILITIES &amp; PROVISIONS :</b>		
<b>CURRENT LIABILITIES</b>		
↪ Sundry Creditors	40,88,875	54,52,881
Other Liabilities	24,97,843	52,10,796
G. Agarwal & Associates	8,273	62,523
	<u>65,94,991</u>	<u>1,07,26,200</u>
<b>SCHEDULE - 6 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not yet written off or adjusted)		
Preliminary Expenses	Nil	25,490
Public Issue Expenses	Nil	3,53,657
	<u>Nil</u>	<u>3,79,147</u>

**"SCHEDULES" TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 31ST MARCH, 2011**

**SCHEDULE - 7 : SALES (Including E.Duty) & JOB WORK CHARGES**

↪ Kolkata	1,04,459	4,37,211
Bhiwadi	Nil	9,90,000
	<u>1,04,459</u>	<u>14,27,211</u>

**SCHEDULE - 8 : OTHER INCOME**

Development Subsidy	Nil	15,00,000
Liabilities no longer required w/o	Nil	4,47,478
Profit on sale of Fixed Assets	1,49,12,659	Nil
	<u>1,49,12,659</u>	<u>19,47,478</u>

**"SCHEDULES" TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 31ST MARCH, 2011**

	AMOUNT 31.03.2011 Rs.	AMOUNT 31.03.2010 Rs.
<b>SCHEDULE - 9 : ADMINISTRATIVE, SELLING &amp; DISTRIBUTION EXPENSES</b>		
Contribution to Provident Fund	1,77,939	Nil
Bank Charges	4,047	365
Consultancy Charges & Prof. Fees	16,030	11,030
Electricity Charges	5,020	3,855
Filing fees	2,500	4,000
Salary & Bonus	Nil	Nil
Postage & Stamp	7,610	8,345
Printing & Stationery	Nil	3,832
Statutory Charges	3,057	4,268
Rent, Rates & Taxes	8,11,684	26,412
Auditors' Remuneration	8,273	8,273
Directors' Remuneration & Sitting Fees	82,500	1,15,500
Telephone Charges	2,251	2,810
Travelling & Conveyance	12,437	3,903
Advertisement / Publicity Expenses	2,904	4,354
Freight & Forwarding	761	2,632
General Expenses	26,853	24,897
Listing Fees	35,847	35,848
Shareholder's Expenses	33,150	34,870
	<u>12,32,863</u>	<u>2,95,194</u>

**SCHEDULE - 10 : INCREASE / (DECREASE) IN STOCK**

CLOSING STOCK OF

Finished Goods	(A)	Nil	1,04,459
Less : Opening Stock of Finished Goods	(B)	1,04,459	7,99,290
<b>INCREASE / (DECREASE) IN STOCK</b>	<b>(A - B)</b>	<u>(1,04,459)</u>	<u>(6,94,831)</u>

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH, 2011**

**ANNEXURE - 11**

**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 :-**

All Fixed Assets have been disposed off during the year. The Fixed Assets was being stated at cost less accumulated depreciation.

**3. Depreciation :-**

Depreciation on all fixed assets was 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)

There are no Inventory as at the end of the year.

**6. Sales :-**

The Company recognizes sale of goods on the dispatch 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 settled all outstanding loans due to Banks and provided interest on Secured Loan during the year.

**8. Retirement Benefit :-**

The Company has provided for Contribution to Provident Fund for Rs. 1,77,939/- during the year.

**9. MODVAT Credit :-**

a) The value of eligible Modvat Credit against Central Excise Duty paid has been adjusted against the relevant materials purchased.

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

**10. Deferred Revenue Expenditure :-**

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

**11. Director's Remuneration :-**

Rs. 82,500/- 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.

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

13. Additional information pursuant to the provision of the paragraphs 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 & Quantity :-**

Description	Opening Stock		Sales at Cost		Closing Stock	
	Qnt. in Nos.	Value	Qnt. in Nos.	Value	Qnt. in Nos.	Value
Finished Goods (Gears)	484	104459	484	104459	Nil	Nil

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

Description	Qnt. in No.	Value
Forging	NIL	NIL

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

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

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

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

15. 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 31.03.2011
a) C.S.T. (Bhiwadi)	33,883.00
b) Prof. Tax	5,890.00

**16. Professional Tax :**

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

## 17. 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 &amp; Changes therein

Ashok Harlalka	Chairman / Mg. Director
Sunita Harlalka	Director
Anant Veer Harlalka	Director

## c) Transaction with Related Parties for the year ended 31.03.2011 :

	<u>Associates</u>
Telephone Expenses	2,251.00
Electricity	5,020.00
Rent	26,400.00
Gross Sales	47,676.93

## d) Transaction with Directors for the year ended 31.03.2011 :

Remuneration to Managing Director	60,000.00
Remuneration/Sitting Fees to other Directors	22,500.00
Reimbursement for tax payment to director	20.00
Paid to Managing Director of the outstanding	3,65,000.00

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

	<u>31-3-2011</u>	<u>31-3-2010</u>
Loss as per Profit & Loss Account	32,98,855	2498745
Weighted No. of Equity Shares o/s during the year	4012850	4012850
Basic and Diluted EPS	(0.82)	(0.62)

19. A sum of Rs. 48,47,170.00 has been written off during the year as bad debts since, as informed they have become irrecoverable.

20. The company has disposed off all its fixed assets during the year. A sum of Rs. 1,49,12,659.00 has been recognized as profit on sale of such Assets. However, the possibility of Short Term Capital Gains on such sale could not be ascertained in absence of full details.

21. Rent includes Rs. 7,85,284.00 paid as Lease Rent and development charges to RIICO (Govt. Undertaking) on which no TDS has been deducted during the year.

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

*Signatures to Schedule "1" to "11"*

Suit # 204  
Diamond Prestige  
41A, AJC Bose Road  
Kolkata - 700 017  
The 27th day of June, 2011

As per our report of even date annexed

For G. AGARWAL & ASSOCIATES  
Chartered Accountants  
CA GOPAL AGARWAL  
Partner  
Firm Reg. No. 314088E

ASHOK KUMAR HARLALKA  
Director



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## ADITYA GEARS LTD.

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

10.	<b>I. Registration details</b>	
	Registration No.	73555
	State Code	21
11.	Balance Sheet Date	31-03-2011
	<b>II. Capital raised during the year (Amount in Thousand)</b>	
	Public Issue	NIL
	Right Issue	NIL
12.	Private Placement / Others	NIL
13.	Bonus Issue	NIL
	<b>III. Position of Mobilisation and Deployment of Fund (Amount in Thousand)</b>	
	Total Liabilities	46,723.24
	Total Assets	46,723.24
	<b>Sources of Funds</b>	
	Paid up Capital	40,128.25
	Reserves & Surplus	Nil
	Deferred Tax Liability	Nil
	Secured Loans	Nil
	Unsecured Loans	Nil
	<b>Application of Funds</b>	
	Net Fixed Assets	Nil
	Investments	3.00
	Net Current Assets	(6,145.76)
	Miscellaneous Expenditure	Nil
	Accumulated Losses	46,271.01
	<b>IV. Performance of Company (Amount in Thousand)</b>	
	Turnover	15,017.12
	Total Expenditure	18,315.97
	Profit/(Loss) before Tax	(3,298.86)
	Profit/(Loss) after Tax	(3,298.88)
14.	Earning per Shares (Rs.)	(0.82)
	Dividend	Nil
	<b>V. Generic Name of Principal Products/Services of the Company (As per Monetary Terms)</b>	
	Item Code No. (ITC Code)	8483
15.	Product Description: (To Be Manufactured)	TRANSMISSION GEAR SHAFTS AND CROWN WHEEL PINIONS BEVEL PINION

For and on behalf of the Board:

**ADITYA GEARS LTD**

ASHOK KUMAR HARLALK

*Direct*

Dated : The 27th day of June, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Year ended 31st March, 2011		Year ended 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flow arising from Operating Activities :</b>				
Net Profit/(Loss) after Tax		(32,98,875)		(24,98,745)
Less : Transferred from General Reserve		Nil	(15,00,000)	
Add back : a) Depreciation		Nil	19,97,073	
b) Interest and Finance Charges	1,17,27,925	1,17,27,925	Nil	4,97,073
		<u>84,29,050</u>		<u>(20,01,672)</u>
<b>Operating Profit before Working Capital Changes :</b>				
Add : a) Decrease in Trade & Other Recievables	53,72,247		8,24,524	
b) Decrease in Trade Payables	(41,31,209)		9,79,140	
c) Decrease in Inventory	1,04,459	13,45,497	14,20,921	32,24,585
Cash Inflow/(Outflow) from Operation (A)		<u>97,74,547</u>		<u>12,22,913</u>
<b>B. Cash Flow arising from Investing Activities :</b>				
a) Fixed Assets Sold / Capital W.I.P write off		2,44,87,341		6,00,000
b) Decrease in Misc. Expenditure		3,79,147		3,79,149
Net Cash (Outflow) in the course of Investing Activities (B)		<u>2,48,66,488</u>		<u>9,79,149</u>
<b>C. Cash Flow arising from Financing Activities :</b>				
Interest on Secured Loan		(1,17,27,925)		Nil
Net Cash (Outflow) in payment of Secured Loan		(2,47,59,455)		Nil
	(C)	<u>(3,64,87,380)</u>		<u>Nil</u>
<b>Net Cash inflow in the course of Financing Activities :</b>				
Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)		(18,46,345)		22,02,062
Add : Balance at the beginning of the year		22,58,745		56,683
Cash/Cash Equivalents at the close of the year		<u>4,12,400</u>		<u>22,58,745</u>

*"Notes" to the Account in Annexure "11" annexed*

As per our report of even date annexed

Suit # 204  
Diamond Prestige  
41A, AJC Bose Road  
Kolkata - 700 017

The 27th day of June, 2011

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

Firm Reg. No. 314088E

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 16th Annual General Meeting of the Company to be held on Friday, the 16th day of September, 2011 at 11 a.m. and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

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

## 16TH ANNUAL GENERAL MEETING

### ATTENDANCE SLIP

DATE	VENUE	TIME
16th September, 2011	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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