

28th
ANNUAL REPORT
2011-2012

GUJARAT TOOLROOM LIMITED

28th ANNUAL REPORT 2011-12

BOARD OF DIRECTORS

Shri Suryakant H. Parikh	<i>Managing Director</i>
Shri Bhavin S. Parikh	<i>Director</i>
Shri Vishal M. Shah	<i>Director</i>
Shri Viral N. Shah	<i>Director</i>
Shri Tushar S. Shah	<i>Director</i>
Shri Kunjan N. Vora	<i>Director</i>
Shri Devang J. Gadoya	<i>Director (Up to 14/08/2012)</i>
Shri Kalpesh J. Jariwala	<i>Director (Up to 14/08/2012)</i>

AUDITORS

M/s. Shyam Sunder & Associates
Chartered Accountants
Ahmedabad

BANKERS

Union Bank of India
UCO Bank Ltd.

REGISTERED OFFICE

402, Sheel Complex,
Nr. Mithakhali Under Bridge,
Navrangpura, Ahmedabad – 380 009.
Website: www.gujarattoolroom.com
E-mail Id : info@gujtoolroom.com
gujtoolroom@gmail.com

REGISTRAR FOR TRANSFER

Sharepro Services (India) Pvt. Ltd.
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyash Ashram, Ellisbridge,
Ahmedabad-380006
Tel Nos.079 26582381/82/83/ 84
Fax No. 079 26582385
Email: sharepro.ahmedabad@shareproservices.com

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NOTICE

NOTICE is hereby given that the **28th ANNUAL GENERAL MEETING** of the Members of **GUJARAT TOOLROOM LIMITED** will be held on **Monday, 24th September, 2012** at **11.00 A.M.** at **Ground Floor, Aditi Flats, Ellisbridge, Ahmedabad-380006** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Statement of Profits & Loss and Cash Flow Statements for the financial year ended on 31st March, 2012 and Report of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Vishal M. Shah**, who retires by rotation and being eligible offers himself for re- appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To Adopt new set of Articles of the company

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), the new set of Articles of Association, as placed before the meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved and adopted as new Articles of Association of the Company in the place and exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT Mr. Suryakant H. Parikh, Managing Directors of the Company be and is hereby, authorised to do all such acts, deeds and take such steps as may be required to give effect to the above resolution."

Regtd. Office
402, Sheel Complex,
Nr. Mithakhali Under Bridge,
Navrangpura, Ahmedabad – 380 009.
Date: 14/08/2012

By order of Board of Directors
For, **Gujarat Toolroom Limited**

Suryakant H. Parikh
Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED TO BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business as set above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
3. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from **Monday, 17th September, 2012 to Monday, 24th September, 2012** (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
 - a) Intimate, if shares are held in the same name or in the order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notified immediately the change in their registered address, if any, to the Company.
6. The Equity Shares of the Company are available for dematerialization. Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN No. of the Equity Shares is **INE145J01016**.

GUJARAT TOOLROOM LIMITED

Brief resume of the Directors seeking re-election/appointment at the 28th Annual General Meeting

NAME OF DIRECTORS	VISHAL M. SHAH
Age /Date of Birth	13/09/1987
Date of Appointment	30/06/2011
Qualification and experience in specific functional area	11th and having more than 5 years of experience of general administration and accounts
Directorship held in other companies*	None
Membership / Chairmanships of Committee in other Public Companies	None
*Pvt. Companies excluded	

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 31 AND OTHER PROVISIONS OF THE COMPANIES ACT, 1956

In conformity with the provisions of section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item No. 4 of the accompanying notice dated **14th August, 2012** should be taken as forming part of Notice.

Item No. 4

Your Directors considered that the existing Articles of Association of the Company do not cover latest amendments and it is proposed to amend the existing Article of Association by adopting a new set of Articles of Association in the place of the existing Articles of Association of the Company.

In terms of Section 31 of the Companies Act, 1956, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the office hours on all working days, except Saturday, during working hours up to the date of the Annual General Meeting and during the Annual General Meeting.

The Board recommends the resolution as set out in item no.4 for members' approval. None of the Directors is interested or concerned in this resolution.

Regtd. Office
402, Sheel Complex,
Nr. Mithakhali Under Bridge,
Navrangpura, Ahmedabad – 380 009.
Date: 14/08/2012

By order of Board of Directors
For, **Gujarat Toolroom Limited**

Suryakant H. Parikh
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the **28th** ANNUAL REPORT together with the Audited Statement of Account for the Financial Year **2011-12** ended on **31st March, 2012**.

1. FINANCIAL PERFORMANCE:

	2011-12	(Rs. In Lacs) <u>2010-11</u>
Sales	7.43	116.27
Other Income	—	—
Total Income	7.43	116.27
Less : Increase (Decrease) in Stock	7.08	114.60
Less: Expenses	3.43	3.08
Operating Profit/(Loss)	(3.97)	(1.41)
Less: Interest	—	—
Depreciation	—	—
Profit/(Loss) before Tax	(3.97)	(1.41)
Less: Taxation for the year(Fringe Benefit Tax)	—	—
Net Profit / (Loss) after Tax	(3.97)	(1.41)
Balance brought forward	(202.83)	(200.03)
Adjustment of Earlier Year	—	(1.40)
Balance Carried to Balance-Sheet	(206.80)	(202.83)

2. OPERATIONS OF THE COMPANY:

During the year under review, the company has achieved a sale of Rs.7.43 lacs as against Rs.116.27 lacs during the previous year. Your company has incurred Net Loss of Rs.3.97 lacs as against Net Loss of Rs.1.41 lacs during previous year.

In view of the loss suffered by the Company, your Directors express their inability to recommend dividend for the year under review.

3. DEPOSITS:

During the year under report, the Company has not accepted any deposit to which the provisions of Section 58A of the Companies Act, 1956 are applicable.

4. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at **31st March, 2012** being end of the financial year **2011-12** and of the Profit of the Company for the year.
- iii. that the Directors have taken proper and sufficient care for 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.
- iv. that the Directors have prepared the annual accounts on a going concern basis.

5. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

1) CONSERVATION OF ENERGY :

- A. Energy Conservation measures taken: The Company gives top most priority to energy conservation.
- B. Additional investment and proposal if any being implemented for reduction in consumption of energy : NIL
- C. Energy consumption in terms of electricity, LDO and Gas NIL.
- D. Total energy consumption and energy consumption per unit of production: NIL.

2) TECHNOLOGY ABSORPTION :

- A. Adoption and innovation: N.A.
- B. Research and development (R & D) : NIL

3) FOREIGN EXCHANGE EARNINGS AND OUT GO : NIL

6. PARTICULARS OF EMPLOYEES:

During the year under report, none of the employees was in receipt of remuneration exceeding the limit prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975, as amended.

7. AUDITORS AND AUDITOR'S OBSERVATION:

The present Auditors of the Company M/s. Shyam Sunder & Associates, Chartered Accountants, Ahmedabad were appointed as Auditors and will retire at the ensuing Annual General Meeting. Shyam Sunder & Associates, Chartered Accountants having firm registration no.130197W as per ICAI, submitted certificate for his eligibility for appointment under Section 224(1B) of the Companies Act, 1956. The Board of Directors of your Company recommends his reappointment as auditors of the Company.

Auditors' observation and management's response to auditor's observation:-

Note No. "17"

- iv) As during the year the company has not carried out any manufacturing and its related activity therefore the management has decided not to provide depreciation on plant & machinery during the year.
Apart from this, The notes and remarks of Auditors' are self-explanatory and therefore does not require any further clarification

8. COMPLIANCE CERTIFICATE :

The Company has obtained Compliance Certificate under the provisions of section 383A of the Companies Act, 1956 from M/s Khandelwal Devesh & Associates, Company Secretaries and the same is attached with this Report as Annexure.

9. LISTING :

The Equity shares of the Company are listed on the Bombay Stock Exchange and the Ahmedabad Stock Exchanges. The Company has paid Annual Listing Fees of Bombay Stock Exchange up to the year 2012-13. The Company is regular in complying with the Listing Agreement entered into with the Stock Exchange.

10. CORPORATE GOVERNANCE :

The Report on Corporate Governance required under Clause 49 of the Listing Agreement is annexed hereto.

11. ACKNOWLEDGEMENT :

Your Directors express their sincere gratitude for the assistance and co-operation extended by Promoters, Banks, Government Authorities, Employees and Shareholders.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 14/08/2012

Suryakant H. Parikh
Managing Director

COMPLIANCE CERTIFICATE

To,

The Members of the Company

GUJARAT TOOLROOM LTD.

Ahmedabad.

We have examined the registers, records, books and papers of **GUJARAT TOOLROOM LTD.**, as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries have been duly recorded.
2. The company has duly filed forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies. However the Company did not require to file any forms and returns to Regional Director, Central Government and Company Law Board during the financial year.
3. The Company being Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met **Six** times on **13/05/2011, 24/05/2011, 12/08/2011, 15/11/2011, 15/02/2012** and **26/3/2012** in respect of said meetings proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose. No circulation resolutions were passed during the year under consideration.
5. To update the Register of Members for the purpose of AGM, the company has closed its Register of Members and Share Transfer Books from **20/09/2011** to **27/09/2011** (both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on **31/03/2011** was held on **27/09/2011** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the minute book maintained for the purpose.
7. No Extra Ordinary General Meeting of the company was held during the year. The Company has conducted postal ballots during the year and the resolutions passed thereat were duly recorded in the minute book maintained for the purpose
8. According to the information provided to us, during the year under review, the Company has advanced loan to firms or companies referred to under section 295 of the Act.
9. The Company has duly complied with the provisions of section 297 of the Act in respect of the contracts specified in that section.
10. According to the information and explanation given to us, the Company has entered into necessary entries in the register maintained under the provisions of section 301 of the Act.
11. No transaction was entered into by the Company during the year requiring approval under section 314 of the Act.
12. During the year the Company has issued One Duplicate Share certificate for 100 Equity shares.
13. The Company has;
 - (i) delivered all the share certificates lodged with it for transfer in accordance with the provisions of the Act;
 - (ii) not declared any dividend for the Year ended on **31.03.2012**;
 - (iii) not required to post warrants to any members of the Company as no dividend was declared during the year;
 - (iv) no such unclaimed / unpaid amount required to be transferred to Investors Education and Protection Fund;
 - (v) duly complied with the requirements section 217 of the Act.

GUJARAT TOOLROOM LIMITED

14. The Board of Directors of the company is duly constituted. During the year the Company has appointed **two** Directors with the approval of shareholders through **Postal Ballots**. During the year, the Board has also appointed **four** directors as additional directors and all of them being appointed by shareholders as Directors in the AGM of the Company and **three** directors were ceased to be director of the Company. Apart from this there were no appointments of Alternate Directors and Directors to fill casual vacancies during the financial year.
15. The Company has appointed Managing Director during the financial year under review and has complied with the provisions of the Act for such appointment.
16. No sole selling agent was appointed during the year.
17. The Company was not required to obtain necessary approvals of the Central Government, Company Law Board, Regional Director, However the company has to take approval of Registrar of Companies in relation to change of main object of Memorandum of Association and the same was being taken.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any equity shares, debentures and other securities during the financial year.
20. The Company has not bought back any shares during the year.
21. The Company has not issued any preference shares/debentures and therefore redemption of the same does not arise.
22. The Company has not kept any rights to dividends or right/bonus shares in abeyance during the year.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The borrowings of the Company is within the limits as prescribed under section 293(1)(d) of the Act.
25. The Company has made loan or advances or made investments to other bodies corporate and has not given guarantee or provided securities to other bodies corporate during the year under review.
26. The company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny and has complied with the provisions of the Act.
28. The company has not altered the provisions of Memorandum of Association with respect to the name of the company during the year under scrutiny.
29. The company has altered provisions of Memorandum of Association with respect to the Share Capital of the company during the year under scrutiny and has yet to file related forms with the MCA.
30. The company has altered Article 3 of the Articles of Association during the year under scrutiny.
31. As per the information provided by the management of the company, no prosecutions were initiated against the company and no show-cause notices were received by the company for alleged offences under the Act and no fines, penalties and punishments were imposed on the company in any cases as per information and explanations received from the management.
32. The company has not received any money as security from its employees during the year under certification.
33. The Company has not deducted any contribution towards provident fund during the year since the provisions of section 418 of the Act are not applicable to the Company as informed by the management.

For, **Khandelwal Devesh & Associates**
Company Secretaries

Devesh Khandelwal
Proprietor

M.No. : FCS 6897
COP No. : 4202

Place : Ahmedabad
Date : 14/08/2012

GUJARAT TOOLROOM LIMITED**Annexure A**

Registers as maintained by the Company:

Sr. No.	Section	Name of the Register
1.	150	Register of Members
2.	193	Minutes of meeting of Board of Directors
3.	193 (1)	Minutes of General Meetings
4.	301	Register of Contracts
5.	303	Register of Directors
6.	307	Register of Director's Shareholding
7.	301(3)	Register of Director's Disclosures
8.	111A	Share Transfer Register
9.		Fixed Assets Register

Annexure BForms and returns as filed by the company with the Registrar of Companies, Regional Director during the year ended on **31/03/2012**.

Sr. No.	Description of Document	Filed under Section	Date of Filing and SRN No.	Whether filed under prescribed time (Yes/No)	If delay in filing whether requisite additional fee paid
1	Form 62- Others	192A	26/05/2011 B12914073	Yes	No
2	Form 23	192	22/07/2011 B16663932	Yes	No
3	Form 32	303(2)	22/07/2011 B16668261	Yes	No
4	Form 62- Others	192A	22/07/2011 B16669459	Yes	No
5	Form 18	146	05/09/2011 B19575596	Yes	No
6	Form 32	303(2)	05/09/2011 B19580901	Yes	No
7	Form 32	303(2)	05/09/2011 B19589480	Yes	No
8	Form 23	192	15/10/2011 B22870497	No	Yes
9	Form 32	303(2)	18/10/2011 B23100787	Yes	No
10	Form 25C	269(2)	20/10/2011 B23241003	Yes	No
11	Form 66 (31.3.2011)	383A	20/10/2011 P73878290	Yes	No
12	Form 23	192	20/10/2011 B23228851	Yes	No
13	Form 20B (31.3.2011)	159	14/11/2011 P79063053	Yes	No
14	Form 23AC_ACA_XBRL	220	22/12/2011 P83562355	Yes	No

For, **Khandelwal Devesh & Associates**
Company Secretaries**Devesh Khandelwal**
ProprietorPlace : Ahmedabad
Date : 14/08/2012M.No. : FCS 6897
COP No. : 4202

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments:

The Company has diversified its business activity and decided to enter into real estate sector. The sector as a whole has been performing very well over the past decade, especially given the property prices rally experienced in most developed economies. India is currently the second fastest-growing economy in the World. The Indian construction industry has been playing a vital role in overall economic development of the country. Real Estate sector is not only the biggest contributor to Gross Domestic Product ('GDP') of the country but is also the fourth largest sector in terms of Foreign Direct Investment ('FDI') inflows in the country.

b. Opportunities and Threats:

Real estate development is on high and it is attracting the focus of the industry towards construction. Private sector housing boom and commercial building demands Construction of the multi building projects on the feasible locations in the country. Low cost well- educated and skilled labour force is now widely available across the country. Sufficient availability of raw material and natural resources in the country is supportive for the industry.

Long term market instability and uncertainty may damage the opportunities and prevent the expansion of training and development facilities. The current economic situation may have an adverse impact on construction industry. Infrastructure safety is a challenging task in construction industry. Natural abnormal casualties such as earth quake and floods are uncertain and can prevent the construction boom.

c. Segment wise Performance:

During the year the Company has achieved the sale of Rs.7.43 lacs and the same came from selling its opening stock and belongs to a single segment and therefore no segment wise performance given.

d. Recent Trend and Future Outlook:

The market seems to be looking up for those who are operating at larger level and do not seems bright for smaller players.

The real estate market in which the Company has now decided to diversify seem to be looking better as mentioned herein above.

e. Internal Control Systems and their Adequacy:

The Company has adequate systems of internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business.

f. Financial Performance with respect to operational performance:

The Financial performance of the Company for the year **2011-12** is described in the Directors' Report under the head operations.

g. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, Describing the Company's objectives, estimates and expectations may constitute Forward Looking Statements within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board

Place : Ahmedabad

Date : 14/08/2012

Suryakant H. Parikh

Managing Director

REPORT ON CORPORATE GOVERNANCE

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your company has always believed in the concept of good Corporate Governance Involving a high level of transparency, accountability and responsibility in all areas of its operations to ensure investors protection. Your Company has made necessary Changes in the system and procedures required for effective control, for the steady Growth of the Company and to increase the value for all stakeholders Mandatory Provisions of corporate Governance as stipulated under listing agreements of Stock Exchanges are being complied with.

2) BOARD OF DIRECTORS

(a) Composition and category of Directors

Name Of Directors	Designation	Category	No. Of Other Directorship held*	No. Of Board Committee memberships Held	No Of Board Meetings attended Out Of Six	Attendance At the Last annual General Meeting
Mr. Suryakant H. Parikh	Managing Director	Promoter-Executive Director	—	Nil	3	Yes
Mr. Bhavin S. Parikh	Director	Non-Executive Non-Independent Director	—	Nil	4	Yes
Mr. Vishal M. Shah	Director	Non-Executive Non-Independent Director	—	Nil	4	Yes
Mr. Viral N. Shah	Director	Independent Non-executive Director	Nil	Nil	3	Yes
Mr. Tushar S. Shah	Director	Independent Non-executive Director	5	Yes	3	Yes
Mr. Kunjan N. Vora	Director	Independent Non-executive Director	Nil	Nil	3	Yes
Mr. Devang J. Gadoya (up to 14/08/2012)	Director	Independent Non Executive Director	3	Nil	3	No
Mr. Kalpesh J. Jariwala (up to 14/08/2012)	Director	Independent Non-Executive Director	1	Nil	3	No
Mrs. Sangita D. Gadoya (upto 12/08/2011)	Director	Independent Non-executive Director	1	Nil	NIL	N.A.
Mr. Nareshbhai M. Shah (upto 12/08/2011)	Additional Director	Independent Non-executive AdditionalDirector	1	Nil	2	N.A.
Mr. Prakashsinh Rehwar (upto 12/08/2011)	Additional Director	Independent Non-executive AdditionalDirector	4	Yes	2	N.A.

***Pvt. Companies excluded**

b) Brief resume of Directors seeking re-election/appointment:

NAME OF DIRECTORS	VISHAL M. SHAH
Age /Date of Birth	13/09/1987
Date of Appointment	30/06/2011
Qualification and experience in specific functional area	11th and having more than 5 years of experience of general administration and accounts
Directorship held in other companies*	None
Membership / Chairmanships of Committee in other Public Companies	None

***Pvt. Companies excluded**

c) BOARD PROCEDURE

The Board of Directors meets at least once a quarter to review the performance and Financial Results. A detailed agenda file is sent to all Directors well in time of the Board Meetings. The Chairman/Director briefs the Directors at every Board Meeting about the overall performance of the Company. All major decisions/ Approvals are taken at the Meeting of the Board of Directors such as policy formation, Business plans, budgets, Investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors during the financial year **2011-12** was held on **13/05/2011, 24/05/2011, 12/08/2011, 15/11/2011, 15/02/2012** and **26/3/2012**.

3) AUDIT COMMITTEE

The said committee comprises of three non executive among them two are independent directors.

The present Audit Committee was reconstituted during the year on 12th August, 2011 and presently the composition of Audit Committee comprises of;

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS
Mr. Kunjan N. Vora	Independent Non Executive	Chairman
Mr. Bhavin S. Parikh	Non-Independent Non Executive	Member
Mr. Viral N. Shah	Independent Non Executive	Member

The terms of reference are as under:

- To investigate into any matter in relation to the items specified under Clause 49 of the listing Agreement.
- Reviewing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment of external Auditor and fixation of their Audit fee.
- Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board.
- Reviewing periodically the adequacy of the internal control system.
- Discussions with Internal Auditor on any significant findings and follow up there on.

During the Year, **four** meetings of the Committee were held on **13/05/2011, 12/08/2011, 15/11/2011 and 15/02/2012** which were attended by majority of the members of the committee.

4) SHAREHOLDERS'/INVESTORS' GRIEVANCE/TRANSFER COMMITTEE

The Shareholders' / Investors' Grievance Committee ensures the effective redressal of the Complaints of the investors. The Committee also recommends steps to be taken for further Implementation in the quality and services to the investors. Committee of Investors Grievance is as follows:-

GUJARAT TOOLROOM LIMITED

The Committee comprising of following members:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS
Mr. Suryakant H. Parikh	PromoterExecutive	Chairman
Mr. Viral N. Shah	IndependentNon Executive	Member
Mr. Kunjan N. Vora	IndependentNon-Executive	Member

The pending complaints of the Shareholders/Investors registered with SEBI at the end of the current financial year ended on **31st March, 2012** are **Eleven (11)**. There was no valid request for transfer of share pending as on **31st March, 2012**.

The company has taken action toward the pending complains.

Mr. Viren G. Gurjar is the Compliance Officer for the above purpose.

5) REMUNERATION COMMITTEE

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS
Mr. Bhavin S. Parikh	Non-IndependentNon Executive	Chairman
Mr. Kunjan N. Vora	IndependentNon Executive	Member

No remuneration to any directors were being paid during the year. No sitting fee has been given to any of the director during the year under report.

6) GENERAL BODY MEETING

The location and time of the last three Annual General Meetings are as under.

AGM	DATE	TIME	VENUE	NO. OF SPECIAL RESOLUTIONS APPROVED
27th	27/09/2011	11.00 A.M	Ground Floor, Aditi Flats, Ellisbridge, Ahmedabad-380 006	3
26th	27/09/2010	12.00 P.M.	Ground Floor, Dhaval Avenue,B/h Associated Petrol Pump, Panchvati, Off C.G. Road, Ahmedabad – 380 009	—
25th	30/09/2009	2.00 P.M.	Ground Floor, Dhaval Avenue,B/h Associated Petrol Pump, Panchvati, Off C.G. Road,Ahmedabad – 380 009	—

There were three special resolutions passed by the Company at the previous AGM relating to appointment of Managing Director, Increase in Authorised Share Capital of the Company and Issue of warrants.

During the year the Company has conducted postal Ballots under the provisions of section 192A of The Companies ACT, 1956 and Regulation 12 of Security and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 Read with The Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001;

7) DISCLOSURES

- There was no transaction of material nature with Management or with the Directors of the Company during the year.
- There was no instance of Non-compliance of any matter related to the capital markets during the last three years.
- All the statutory registers that are required to be maintained, particularly Register of Contracts in which Directors have interests, Register of Director's Shareholdings, Register of Investments etc. are maintained and continuously updated.

8) MEANS OF COMMUNICATION

During the year, Quarterly and Annual Financial results (Unaudited) of the company were submitted to the Stock Exchanges immediately after the Board meeting approved the same in Free Press Gujarat (English) and Lokmitra Gujarati Daily (Gujarati).

GUJARAT TOOLROOM LIMITED

9) FINANCIAL CALENDAR FOR FINANCIAL YEAR 2012-13

Financial year	1st April, 2012 to 31st March, 2013
Results for the First quarter ending 30th June, 2012	Second Week of August, 2012
Results for the Second quarter ending 30th September, 2012	Last Week of October, 2012
Results for the Third quarter ending 31st December, 2012	First Week of February, 2013
Result for the year ending 31st March, 2013	First Week of May, 2013
Annual General Meeting	August/September, 2013
Annual General Meeting for the year 2011-12	24th September, 2012
Place of 28th AGM	Ground Floor, Aditi Flats, Ellisbridge, Ahmedabad-380006
Date of Book-Closure	17th September 2012 to 24th September 2012 (Both days inclusive)
Dividend Payment date	Not Applicable
Listing on Stock Exchange	Ahmedabad and Mumbai
Stock Code	ASE : 22800 BSE : 513337

10) MARKET PRICE DATA

Market price data of Bombay Stock Exchange Limited, Mumbai for the year **2011-12** is given below:

MONTH	HIGH	LOW	VOLUME
April, 2011	6.06	4.81	3000
May, 2011	5.54	4.13	6300
June, 2011	5.76	4.33	6900
July, 2011	6.61	5.24	16100
August, 2011	5.99	5.21	4100
September, 2011	5.25	4.50	1300
October, 2011	6.00	5.22	1100
November, 2011	6.62	4.67	16500
December, 2011	5.07	4.17	12600
January, 2012	5.06	4.57	1200
February, 2012	—	—	—
March, 2012	—	—	—

11) DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2012

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholdings
Up to 500	12209	95.28	1682512	48.40
501-1000	364	2.84	303900	8.74
1001-2000	125	0.98	197900	5.69
2001-3000	27	0.21	68900	1.98
3001-4000	17	0.13	61500	1.77
4001-5000	22	0.17	105200	3.02
5001-10,000	24	0.19	182688	5.25
Above 10,000	25	0.20	874200	25.15
TOTAL	12813	100.00	3476800	100.00

12) CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH 2012.

Category	No. of Shares held	% of Shareholding
Promoters & PAC	393800	11.33
Financial Institutions/ Banks	Nil	Nil
Mutual Fund	77500	2.23
Bodies Corporate	99812	2.87
NRIs	Nil	Nil
Public	2905688	83.57
Grand Total	3476800	100.00

13) SHARE TRANSFER SYSTEM

The Company has appointed the below mentioned agency as Registrar and Share Transfer Agent (RTA) for both physical and Demat segment of equity shares of the Company.

SHAREPRO SERVICES (INDIA) PVT LTD.

416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabd-380006.
Tel Nos.079 26582381/82/83/ 84, Fax No. 079 26582385, *Email Id:* sharepro.ahmedabad@shareproservices.com

14) DEMATERIALISATION OF SHARES

The company has entered into Agreement with NSDL/CDSL for Dematerialization of Shares. Those Shareholders who wish to hold shares in electronic form may approach their Depository Participant. As on **31st March, 2012**, a total of 1407200 Shares of the Company which is 40.47% of the share Capital of the Company stands dematerialized. **The ISIN No. of the Company is INE145J01016.**

15) REGISTERED OFFICE LOCATION:

The Registered Office of the Company is located at;
402, Sheel Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.
Email :- info@gujarattoolroom.com gujtoolroom@gmail.com

16) ADDRESS FOR CORRESPONDENCE

For both Physical and Electronic Form:
SHAREPRO SERVICES (INDIA) PVT LTD.
416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad-380006.
Tel Nos.079 26582381/82/83/ 84, Fax No. 079 26582385, *Email Id:* - sharepro.ahmedabad@shareproservices.com

For any assistance regarding correspondence dematerialization of shares, share transfers, transactions, change of address, non-receipt of divided or any other query, relation to shares, Registered Office:

402, Sheel Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.
Email: - info@gujarattoolroom.com gujtoolroom@gmail.com

Compliance Officer: Mr. Viren G. Gurjar

For and on behalf of the Board

Place : Ahmedabad
Date : 14/08/2012

Suryakant H. Parikh
Managing Director

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct:

In terms of the requirements of the amended Clause 49 of the Listing Agreement, this is to confirm that all Directors of the Board of Directors have affirmed compliance with the Code of Conduct for the year ended **31st March, 2012**.

For and on behalf of the Board

Place : Ahmedabad
Date : 14/08/2012

Suryakant H. Parikh
Managing Director

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members
GUJARAT TOOLROOM LIMITED
Ahmedabad

We have examined the compliance of conditions of corporate governance by **GUJARAT TOOLROOM LIMITED** for the year ended on **31st March, 2012**, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of condition of corporate governance is the responsibility of the management.

Our examination was Limited to a review of the procedures and implementation thereof, adopted by the Company for ensuing the compliance with 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 the representations made by the Directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of Listing Agreement.

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

For, **Shyam Sundar & Associates**
Chartered Accountants
Firm Reg. No. 130197W

Place : Ahmedabad
Date : 14/08/2012

Shyam Sunder
Proprietor
M. No. 128896

GUJARAT TOOLROOM LIMITED

MANAGING DIRECTOR [MD] CERTIFICATION
(Issued In Accordance With Provisions Of Clause 49 Of The Listing Agreement)

Dear Members,

I **Suryakant H. Parikh**, Managing Director of **Gujarat Toolroom Limited** to the best of our knowledge and belief hereby certify that:

- A. I have reviewed the financial statements, read with the cash flow statement for the year ended **March 31, 2012** and that to the best of my knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) These statements present a true and fair view of the Company's affair and are in compliance with current accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the auditors and the Audit committee
- (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) there are no instances of fraud during the year.

For, **Gujarat Toolroom Limited**,

Place : Ahmedabad
Date : 14/08/2012

Suryakant H. Parikh
Managing Director

AUDITORS' REPORT

To
The Members
GUJARAT TOOLROOM LIMITED
AHMEDABAD.

1. We have audited the attached Balance Sheet of **GUJARAT TOOLROOM LIMITED** as at 31st March 2012, and also the Profit and Loss Statement and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statement'). 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 provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the order) (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, we report that;
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of these books;
 - iii. The Balance Sheet and Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet and Profit and Loss Statement and Cash Flow Statement dealt with this Report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of our review of the confirmations made available and the information and explanations given to us, none of the Directors of the Company are prima facie disqualified from being appointed as Directors of the Company u/s 274(1)(g) of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, given the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - (b) In the case of the Profit and Loss Statement, of the loss for the year ended on that date.
 - (c) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For, **Shyam Sundar & Associates**
Chartered Accountants
Firm Reg. No. 130197W

Place : Ahmedabad
Date : 14/08/2012

Shyam Sunder
Proprietor
M. No. 128896

ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 OUR REPORT OF EVEN DATE:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets were verified perpetually during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification;
- c) The company has not disposed off any of the material fixed asset during the year which affects the going concern status of the company
- ii. a) In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals;
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. a) The company has granted unsecured loans to the companies, firms or other parties covered in the register maintained under section 301 of the Act.
- | | | |
|----------------------------|---|-------------|
| Number of parties involved | - | 3 |
| Loan Given | - | 147.15 Lacs |
| Bal o/s ass on 31.03.12 | - | 118 Lacs |
- b) The loan granted are interest free, as per the information given by the management and to the best of our knowledge and belief the terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- c) In our opinion and as per the information given to us the payment of the principal amount is payable on demand and the same is regular.
- d) There is no overdue Principal amount during the year hence further comment on this clause not given.
- e) The company has taken unsecured loans from the companies, firms or other parties covered in the register maintained under section 301 of the Act, The details of parties and amount involved in the transaction are below:
- | | | |
|----------------------------|---|-------------|
| Number of parties involved | - | 2 |
| Loan taken | - | 256.50 lacs |
| Bal. o/s as on 31.03.12 | - | Nil |
- f) The loan taken are interest free, as per the information given by the management and to the best of our knowledge and belief the terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- g) In our opinion and as per the information given to us the repayment of the principal amount is on demand and the same is regular.
- h) There is no overdue Principal amount during the year hence further comment on this clause not given.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- v. a) According to the information and explanation given to us, We are of the opinion that the particulars of contractor arrangement referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanation given to us the transactions made in pursuance of such contract or arrangement have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

GUJARAT TOOLROOM LIMITED

- vi. The Company has not accepted deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under and we have informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vii. As per the Information given to us and verification made by us the company has implemented proper internal check system in lieu of internal audit with in the organization commensurate to nature of its business. In our opinion the system implemented is found adequate looking to the size of the company.
- viii. The Maintenance of Cost records to the company has been not prescribed by the Central government under clause (d) of Sub Section (1) of the Section 209 of the Act.
- ix. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, Service Tax, custom duty, cess and other material statutory dues applicable to it. Except reported as under.
Sales Tax / Vat of Rs. 111835/- over due by more than six months
(b) There were no disputes and forum where dispute is pending, on account of which the income tax Custom tax/ wealth tax/service tax/excise duty/cess has not deposited.
- x. There are accumulated losses in the company as on 31.03.2012 of Rs. 20680993/- Further, the company has incurred cash losses of Rs. 397359/- during the financial year covered by our audit as well as in the immediately preceding financial year.
- xi. Based on our examination of books and records of the company and on the basis of the information and explanation given by the management the company has been regular in repayment of its dues to the financial institutions or banks.
- xii. On the basis of the information and explanation given to us the company has not granted and 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 nidhi/mutual benefit fund/society/chit Fund Company. Therefore the provisions of clauses 4 (xiii) of the companies (Auditors' Report), 2003 are not applicable to the company.
- xiv. On the basis of examination of books and records of the company and information and explanation given by the management the company is not dealing or trading in shares, securities, debentures and other investments, hence specific comments up on this clause is not applicable.
- xv. As per the information provided to us the company has not given any guarantees for loans taken by others from bank or financial Institutions.
- xvi. The term loans borrowed during the year have been applied for the purpose for which the loans were obtained.
- xvi. In our opinion on the basis of our verification the funds are utilized for the purpose they borrowed, no funds borrowed on short-term basis have been utilized for long term.
- xvii. During the year the company has not allotted any shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xviii. The company has not issued any debentures during the year specific comment upon the creation of securities in respect of debentures not applicable.
- xix. The company has not raised money by public issue hence any specific comments up on the disclosure of end use is not applicable to the company.
- xx. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For, **Shyam Sundar & Associates**
Chartered Accountants
Firm Reg. No. 130197W

Shyam Sunder
Proprietor
M. No. 128896

Place : Ahmedabad
Date : 14/08/2012

GUJARAT TOOLROOM LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	34,768,000	34,768,000
(b) Reserves and Surplus	2	(20,634,041)	(20,236,682)
(2) Share Application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings		—	—
(b) Deferred Tax Liabilities (Net)		—	—
(c) Other Long Term Liabilities		—	—
(d) Long Term Provisions		—	—
(4) Current Liabilities			
(a) Short-Term Borrowings	3	2,143,000	900,000
(b) Trade Payables	4	676,060	676,060
(c) Other Current Liabilities	5	95,394	95,394
(d) Short-Term Provisions	6	223,666	843,740
Total Equity & Liabilities		17,272,079	17,046,512
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
1) Tangible Assets	7	362,956	362,956
2) Intangible Assets		—	—
3) Capital Work-in-progress		—	—
4) Intangible Assets under Development		—	—
(b) Non-current investments			
(2) Current Assets			
(a) Inventories	8	2,742,972	3,450,972
(b) Trade receivables	9	2,202,323	3,268,041
(c) Cash and cash equivalents	10	47,227	25,162
(d) Short-term loans and advances	11	11,839,381	9,939,381
(e) Other current assets	12	77,220	—
Total Assets		17,272,079	17,046,512

NOTES TO ACCOUNTS 17
The notes form an integral part of these Financial Statements

M/s. SHYAM SUNDER & ASSOCIATES

Chartered Accountants
 Firm Reg. No. 130197W

[SHYAM SUNDER NANWAL]

Proprietor
 M.No.128896

Place : Ahmedabad
 Dated : 14/08/2012

For and behalf of Board of Directors

Suryakant H. Parikh *Managing Director*

Bhavin Suryakant Parikh *Director*

Place : Ahmedabad
 Dated : 14/08/2012

GUJARAT TOOLROOM LIMITED

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	Note No.	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
I Revenue from operations		743,400.00	11,626,736.00
II Other Income		—	—
III Total Revenue	(I +II)	743,400.00	11,626,736.00
IV Expenses:			
Purchase of Stock-in-Trade		—	—
Changes in inventories (Decrease)	13	708,000.00	11,460,000.00
Employee Benefit Expense	14	89,500.00	33,000.00
Financial Costs		—	—
Depreciation and Amortization Expense	15	—	—
Other Administrative Expenses	16	343,259	274,903
Total Expenses	(IV)	1,140,759	11,767,903
V Profit before exceptional and extraordinary items and tax (III - IV)		(397,359)	(141,167)
VI Exceptional Items		—	—
VII Profit before extraordinary items and tax	(V - VI)	(397,359)	(141,167)
VIII Extraordinary Items		—	—
IX Profit before tax	(VII - VIII)	(397,359)	(141,167)
X Tax expense:			
(1) Current tax			
(2) Deferred tax		—	—
XI Profit after Tax	(IX-X)	(397,359)	(141,167)
XV Profit/(Loss) for the period	(XI + XIV)	(397,359.00)	(141,167.00)
XVI Earning per equity share:			
(1) Basic		(0.11)	(0.04)
(2) Diluted		(0.11)	(0.04)

NOTES TO ACCOUNTS

17

The notes form an integral part of these Financial Statements

M/s. SHYAM SUNDER & ASSOCIATES

Chartered Accountants
Firm Reg. No. 130197W

[SHYAM SUNDER NANWAL]

Proprietor
M.No.128896

Place : Ahmedabad
Dated : 14/08/2012

For and behalf of Board of Directors

Suryakant H. Parikh *Managing Director*

Bhavin Suryakant Parikh *Director*

Place : Ahmedabad
Dated : 14/08/2012

GUJARAT TOOLROOM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	2011-2012	2010-2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after tax	(397,359)	(141,167)
Adjustment for :		
Depreciation	—	—
Amortization of Expenses	—	—
Adj. for earlier years	—	(140,071)
Provision for Taxes	—	—
Operating Profit before working capital	—	—
Changes	(397,359)	(281,238)
Adjustment for :		
Trade and other receivables	1,065,718	(3,208,073)
Loans and Advances	(1,900,000)	(9,900,000)
Inventories	708,000	11,460,000
Other Current Assets	(77,220)	—
Trade Payables	—	794,647
Other Current Liabilities & Provisions	(620,074)	—
Cash generated from operation	(1,220,935)	(1,134,665)
Direct Taxes Paid	—	—
NET CASH FROM OPERATING ACTIVITIES (A)	(1,220,935)	(1,134,665)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	—	—
Sales of Fixed Assets	—	—
NET CASH USED IN INVESTMENT ACTIVITIES (B)	—	—
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	—	—
Proceeds from Securities Premium	—	—
Proceeds from Share Application Money	—	—
Proceeds from Long Term Borrowings	—	—
Proceeds from Short Term Borrowings	1,243,000	900,000
NET CASH FROM FINANCING ACTIVITIES (C)	1,243,000	900,000
NET INCREASE IN CASH AND CASH EQUIVELENTS (A+B+C)	22,065	(234,665)
Cash and Cash Equivalents (Op.)	25,162	259,827
Cash and Cash Equivalents (Cl.)	47,227	25,162

M/s. SHYAM SUNDER & ASSOCIATES

Chartered Accountants
Firm Reg. No. 130197W

[SHYAM SUNDER NANWAL]

Proprietor
M.No.128896

Place : Ahmedabad
Dated : 14/08/2012

For and behalf of Board of Directors

Suryakant H. Parikh *Managing Director*

Bhavin Suryakant Parikh *Director*

Place : Ahmedabad
Dated : 14/08/2012

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO.1 : SHARE CAPITAL

Particulars	Current Year	Previous Year
Authorised :		
60,00,000 Eq.Shares of Rs.10/- each. (Previous year 50,00,000 Eq. Shares of Rs.10/- each)	60,000,000	50,000,000
	60,000,000	50,000,000
Issued,Subscribed and Paid up.:		
34,76,800 Eq.Shares of Rs.10/- each.	34,768,000	34,768,000
	34,768,000	34,768,000

[a] RECONCILLIATION OF SHARE CAPITAL AT THE BEGINING AND AT THE END OF REPORTING YEAR

DESCRIPTION	As at 31st March,2012		As at 31st March,2011	
	No. of shares	Rupees	No. of shares	Rupees
Equity Share of 10/- each the Begning	3476800	3,47,68,000	3476800	3,47,68,000
Issued during the year-Preferential Basis	—	—	—	—
Equity Share capital at the end	3476800	3,47,68,000	3476800	3,47,68,000

[b] TERMS/RIGHTS ATTACHED TO EQUITY SHARES :

The company has only one class of Equity Shares having a par value of Rs.10 per share. Each Shareholder is entitled to one per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining asset of the company, after distributors of all preferential amounts. the distribution will be in proportion to the number of equity share held by the shareholders.

Particulars	Current Year	Previous Year
NOTE NO. 2 : RESERVES AND SURPLUS		
General Reserve		
Opening Balance b/f	46952	46952
Add : During the year	—	—
Closing Balance	46952	46952
Surplus (Profit & loss account) :		
Opening Balance b/f	(20283634)	(20002396)
Add : Loss for the period	(397359)	(141167)
Add : Adjustment of Earlier Year	—	(140071)
Closing Balance	(20680993)	(20283634)
Total	(20634041)	(20236682)

NOTE NO. 3 : SHORT-TERM BORROWINGS

SECURED LOANS

Loans repayable on demand:

(a) From Banks	—	—
(b) From Others :	—	—
	—	—

UNSECURED LOANS

Loans & advances from other parties

(a) Inter-Corporate Borrowings	1,243,000	—
(b) From Directors, Members & Their Relatives	900,000	900,000
Total	2,143,000	900,000

GUJARAT TOOLROOM LIMITED

Particulars	Current Year	Previous Year
NOTE NO. 4 : TRADE PAYABLES		
Trade Paybles	676,060	676,060
Total	676,060	676,060

NOTE NO. 5 : OTHER CURRENT LIABILITIES		
Creditors for Expenses	95,394	95,394
Total	95,394	95,394

The amount payable to Micro and Small Medium Enterprises as on the Balance Sheet date is not determined as such parties are not identified, the information with the company is not available. The creditors balance of those confirmation not received are subject to confirmation and reconciliation.

**NOTE NO. 6 : SHORT TERM PROVISIONS
PROVISION**

FBT Payable 2007-08	8,214	8,214
Sales Tax 2005-06	4,876	4,876
Uppaid Stock Exchange Fees - VSDL	73,741	73,741
Vat Payable	111,835	721,409
Provision for Audit Fees	25,000	35,500
Total	223,666	843,740

NOTE NO : 7 FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
	AS ON 01-04-2011	Addition	Deduction	AS ON 31-03-2012	AS ON 01-04-2011	During the year	AS ON 31-03-2012	AS ON 31-03-2012	AS ON 31-03-2011
Plant & Machinery	948864	0	0	948864	585908	0	585908	362956	362956
	948864	0	0	948864	585908	0	585908	362956	362956
Previous		0	0						

Particulars	Current Year	Previous Year
NOTE NO. 8 : INVENTORIES		
(As Certified And Valued by Management)		
Finished Goods	—	—
Semi Finished Goods	940,000	940,000
Stores & Spares	1,802,972	2,510,972
Total	2,742,972	3,450,972

The quantities of inventory, sales, purchases are taken on the basis of detailed work out from the bills and the stock records maintained by the company and physically verified as on the date of Balance Sheet by the management

NOTE NO. 9 : TRADE RECEIVABLES

Outstanding for more than six months

a) Secured, Considered Good :		
b) Unsecured, Considered Good :	2,202,323	2,262,290
c) Doubtful		

Others

a) Secured, Considered Good :	—	—
b) Unsecured, Considered Good :	—	1,005,750
c) Doubtful	—	—

Total	2,202,323	3,268,041
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The Debtors balance of those confirmation not received are subject to confirmation and reconciliation.

GUJARAT TOOLROOM LIMITED

Particulars	Current Year	Previous Year
NOTE NO. 10 : CASH & CASH EQUIVALENTS		
Cash & Bank Balances	11809	7191
Cash on hand		
Balances with bank:		
(a) Earmarked		
(b) Unearmarked	35418	17971
Total	47,227	25,162
NOTE NO. 11 : SHORT-TERM LOANS & ADVANCES		
Loans & advances to related parties		
(a) Secured, considered good	—	—
(b) Unsecured considered good	—	—
Others		
(a) Secured, considered good	11839381	9939381
(b) Unsecured considered good		
Total	11,839,381	9,939,381
NOTE NO. 12 : OTHER CURRENT ASSETS		
DEPOSITS		
Prepaid - Post Office Deposit	77220	—
Total	77220	—
Particulars		
	As on	As on
	31/03/12	31/03/11
Note : 13 Change in Inventories		
1 Stock At Commencement	3,450,972	12,400,000
2 Stock At End	2,742,972	940,000
Total	708,000	11,460,000
Note : 14 Employee Benefit Expense		
1 Salaries & Bonus Expenses	89,500	33,000
Total	89,500	33,000
Note : 15 Depreciation & Amortised Cost		
1 Depreciation	—	—
Total	—	—
Note : 16 Other Expenses		
1 Advertisement Expenses	18,456.00	15,380
2 Auditors' Remuneration	25,000.00	20,000
3 Bank charges	1,114.00	300
4 Consultancy Charges	17,500.00	7,500
5 RTA Fees	60,781.00	56,969
6 Legal & Filing Fees	9,500.00	1,500
7 Office Expenses	58,190.00	27,212
8 Postage Expenses	70,680.00	55,262
9 Printing & Stationery	49,125.00	39,600
10 CDSL	7,853.00	49,680
11 Web Site Development	8,000.00	0
12 Telephone & Telex Expenses	17,060	1,500
Total	343,259	274,903

NOTE NO. "17"**SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS****01. SIGNIFICANT ACCOUNTING POLICES:**

The Significant accounting policies to the extent applicable to the company are as under:

i) System of Accounting:

The Financial statements are prepared on historical cost convention and on the accounting principles of going concern in accordance with generally accepted accounting principles comprising of the mandatory accounting standards referred to in sub section (3c) of section 211 of the companies Act., 1956 and guidance notes, etc. issued by Institute of chartered Accountants of India and the other provisions of the companies Act.

ii) Revenue Recognition:

All known income and expenditure quantifiable till the date of finalization of accounts are accounted on accrual basis when virtual certainty is established.

(a) Revenue from Operation :

Sales revenue is recognized when property in the goods with all risk rewards and effective control of goods usually associated with ownership are transferred to buyer at price and excludes sales tax.

The presentation of financial statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

iii) Fixed Asset:

(i) Tangible Asset :

Fixed assets are stated at cost less accumulated depreciation Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(ii) Intangible Assets :

Intangible assets are stated at cost of purchase/acquired less amortised during period.

iv) Depreciation:

Depreciation has been provided on written down value method accordance with the provision of section 205(2) (b) of Companies Act, 1956 at the rates prescribed in Schedule XIV of the companies Act, 1956 on prorate basis with reference to the day of acquisition/ installation. However During the year Depreciation has not provided on Plant & Machinery the loss is under state to the extent of depreciation amount of Rs. 38310/-

v) Impairment of Tangible and intangible assets

The carrying amount of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of any assets exceeds its recoverable amount.

During the year it has been reviewed there is no any impairment of fixed assets.

vi) Investments:

During the year there is no Long term Investments.

vii) Valuation of Inventories:

Stock-in-trade - at cost or net realizable value whichever is less.

Net realizable value is the estimated current procurement price in the ordinary course of the business. The cost of inventory is determined net of taxes on FIFO or Weighted Average cost formula method on relevant categories of inventories on a consistent basis after providing for obsolete, slow moving and defective inventories wherever necessary.

viii) Cenvat:

VAT Credits: VAT Credit available on purchases input are reduced from purchases and balance at end of the stocks at end of the stocks is carried forward under current asset to avail the credit in the succeeding year.

ix) Provisions and Contingent liabilities:

Provisions are recognized when the present obligation of the past event gives rise to a probable outflow embodying economic benefits on settlement, and the amount of obligation can be reliably estimated.

Contingent liabilities are disclosed after careful evaluation of facts and legal aspects of the matter involved.

Provisions and contingent liability are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

x) Retirement Benefits:

No provision for retirement's benefits viz. Gratuity, leave encashment, retrenchment etc for the employee has been made as there are no eligible employees on the muster roll entitled of these benefits.

xi) Research & Development:

No research and development expenditure has been incurred during the year.

xii) Miscellaneous Expenditure:

In accordance with the provisions of section 35D of Income Tax Act 1961, the company has written off one-tenth of expenses.

xiii) Provision for current and Deferred Tax:

Taxes on Income are computed using tax deferral Assets or Liability method where taxes accrue in the same period, the respective revenue and expenses arises. The differences that result between the profit offered for income tax and the profit as per financial statements are identified and Deferred Tax Liability is recognized for timing difference, that originate in one accounting period and reverse in another based on the tax effect of the prevailing enacted regulation in force.

Deferred Tax Assets are recognized subject to prudence, only, if there is reasonable certainty that they will be realized and are subject to appropriate reviews at each balance sheet date for the purpose of measurement of Deferred Tax Liability or Assets, the applicable tax rates and enacted regulations expected to apply in the year in which the temporary differences are expected to be recovered or settled are applied.

Minimum Alternative Tax Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax furnishing the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India the said asset is created by way of credit to the profit and loss statement and shown as MAT Credit entitlement.

xiv) Borrowing Cost:

Borrowing cost directly attributable and/or funds borrowed generally and used for the purpose of acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized,

at its capitalization rate to expenditure on that assets, for the period, until all activities necessary to prepare qualifying assets for its intended use are complete.

xv) Sundry Debtors:

No provision has been made for the bad and doubtful debts. The Bad debts are charged to revenue in the year of, as and when they arise.

xvi) Earning per Share

Basic Earning Per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the number of equity shares outstanding during the period.

For the purpose of calculation diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential shares.

xvii) Cash and cash equivalents for the propose of cash flow statement comprise of cash at bank, cash in hand and short term tem deposit in bank with in original maturity of 12 months or less

02. NOTES ON ACCOUNT

01. The contingent liabilities outstanding as on the date of balance Sheet NIL
02. In the opinion of the Board of Directors, Current Assets, Loans & Advances are realizable in the ordinary course of business, at the value at which they are stated.
03. The audit has been carried out on the basis of the fresh computerized output reconciled.
04. The financial statements for the year ended 31st March 2011 had been prepared as per the old schedule VI to the Companies Act 1956, Consequent to the notification No.538 date 30/03/2011 the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule-VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification.
05. We have verified the vouchers and documentary evidences wherever made available. Where no documentary evidences were available, we relied on the authentication given by the management.

03. DISCLOSURES:

01. Accounting for taxes of Income:
 - (a) Deferred Tax Assets is not recognized as there is no reasonable certainty that they will be realized.
 - (b) The Provision for current taxes has not been made in the account on the income computed as per the provisions of Income Tax Act, 1961.
- 02 Earning per share [As-20] :
 - (a) The amount used as the numerator in calculating basic and diluted earnings per share is the loss after depreciations & taxation i.e.Rs.397359/-
 - (b) The number of ordinary shares used as the denominator in calculating basic and diluted EPS 3476800/-
03. Related Party Disclosures :

During the year the company has not entered into any transaction with the related parties. Those transactions along with related balances as at 31st March, 2012 and for the year ended are presented as NIL..
04. As per Accounting Standard (AS-28) impairment of assets the company has carried the impairment test during the year . resultant it is found that there is no material impairment loss in the carried cost in the assets in the books. The recoverable amount is not material lower than the carrying amount in the accounts hence the same is not considered.

GUJARAT TOOLROOM LIMITED

Regd. Office : 402, Sheel Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.

PROXY FORM

DP Id* _____ Regd. Folio No. _____

Client Id* _____

I/We _____

of _____ in the district of

_____ being a member/members of the above named Company, hereby appoint

Mr./Mrs. _____ of _____ in the

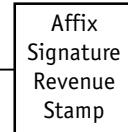
district of _____ or failing him/her Mr./Mrs. _____ of

_____ in the district of _____

as my/our Proxy to vote for me/our behalf at the Annual General Meeting of the Company to be held on 24th September, 2012 at 11.00 A.M. at Ground Floor, Aditi Flats, Ellisbridge, Ahmedabad-380006.

Signed the _____ day of _____ 2012

Signature _____



* Applicable for members holding shares in dematerialised form.

- 1. The Proxy Form signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the scheduled time of meeting.

GUJARAT TOOLROOM LIMITED

Regd. Office : 402, Sheel Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad – 380 009.

ATTENDANCE SLIP

Full name of the Member attending : _____

Name of Proxy : _____

I hereby record my presence at the Annual General Meeting being held on 24th September, 2012 at 11.00 A.M. at Ground Floor, Aditi Flats, Ellisbridge, Ahmedabad-380006.

Regd. Folio No. _____

DP Id* _____

Client Id* _____

No. of Share held _____

Member's/Proxy's Signature
(To be signed at the time of handling over the slip)

* Applicable for members holding shares in dematerialised form.

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

BOOK-POST

If undelivered

Please return to :

GUJARAT TOOLROOM LIMITED

Regd. Office : 402, Sheel Complex,
Nr. Mithakhali Under Bridge,
Navrangpura, Ahmedabad – 380 009.

Ganapati (A'bad) 079-26568111