

27th
ANNUAL REPORT
2010-11

GUJARAT TOOLROOM LIMITED

27th ANNUAL REPORT 2010-11**BOARD OF DIRECTORS**

Shri Suryakant H. Parikh	<i>Managing Director (w.e.f. 12/08/2011)</i>
Shri Bhavin S. Parikh	<i>Director (w.e.f. 30/06/2011)</i>
Shri Vishal M. Shah	<i>Director (w.e.f. 30/06/2011)</i>
Shri Devang J. Gadoya	<i>Director</i>
Shri Kalpesh J. Jariwala	<i>Director</i>
Shri Hemantparvat K. Goswami	<i>Director (upto 19/01/2011)</i>
Shri Viral N. Shah	<i>Additional Director (w.e.f. 12/08/2011)</i>
Shri Tushar S. Shah	<i>Additional Director (w.e.f. 12/08/2011)</i>
Shri Kunjan N. Vora	<i>Additional Director (w.e.f. 12/08/2011)</i>
Smt. Sangita D. Gadoya	<i>Director (upto 12/08/2011)</i>
Shri Nareshbhai M. Shah	<i>Additional Director (upto 12/08/2011)</i>
Shri Prakashsinh Rehvar	<i>Additional Director (upto 12/08/2011)</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 27TH ANNUAL GENERAL MEETING of the Members of **GUJARAT TOOLROOM LIMITED** will be held on 27th September, 2011 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 of the Company as at 31st March, 2011 and the Audited Profit & Loss Account for the year ended on that date, together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Devang J. Gadoya, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kalpesh J. Jariwala, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:**5. Appointment of Mr. Suryakant H. Parikh as a Director and Managing Director of the company**

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Suryakant H. Parikh, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 22(d) of the Articles of Association of the company, be and is hereby appointed as a Director of the Company not liable to retire by rotation."

"RESOLVED FURTHER THAT in accordance with the provisions of Sections 198, 269, 309 and 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Suryakant H. Parikh as a Managing Director of the company, for a period of 5(Five) years with effect from 12th August, 2011 on the terms and conditions including remuneration as set out in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

6. Appointment of Mr. Viral N. Shah as a Director 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 Mr. Viral N. Shah who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 12, 2011 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. Appointment of Mr. Tushar S. Shah as a Director 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 Mr. Tushar S. Shah who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 12, 2011 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. Appointment of Mr. Kunjan N. Vora as a Director 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 Mr. Kunjan N. Vora who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 12, 2011 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. Increase in Authorised Share Capital of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

"RESOLVED THAT pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956 and Article 3 of the Articles of Association and other applicable provisions, if any, the Authorised Share Capital of the Company be and is hereby increased from Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs.6,00,00,000/- (Rupees Six Crore Only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each by creation of additional Equity Shares of Rs. 1,00,00,000/- (Rupees One Crores Only) divided into 10,00,000 (Ten Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each to rank pari passu with the existing Equity Shares."

"FURTHER RESOLVED THAT subject to the provisions of Section 16 of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following new Clause V:

"The Authorised Share Capital of the Company is Rs.6,00,00,000/- (Rupees Six Crore Only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each."

"FURTHER RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered by adding the following new Articles 3 in place of the existing Article 3 thereof:

The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company capable of being increased in accordance with the company regulations and the legislative provisions for the time being in force in that behalf. The Authorised Share Capital in the Company, for the time being whether original or increased may be divided into several classes with any preferential, qualified or other special right, privilege, conditions or restrictions attached thereto whether in regard to dividend, voting, return on capital or otherwise. If and when the capital of the company is divided into shares of different classes, the right of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the Articles of Association.

The Company may from time to time by ordinary resolution increase the capital by such sum to be divided into shares of such amount as may be specified in the resolution."

"FURTHER RESOLVED THAT any one director of the company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary of expedient for giving effect to the said resolution."

10. Issue of warrants

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations, 2009") as in force, the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchanges where the shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies ("Concerned Authorities") in this regard and further subject to such terms and conditions or modifications thereto

as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) and subject to such terms, conditions and modifications as the Board may in its discretion impose or agree to, the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to create, offer, issue and allot from time to time to the person belonging to promoters and non-promoters group on the preferential basis up to 25,00,000 (Twenty Five Lakhs) convertible warrants at a price calculated in accordance with SEBI(ICDR) Regulations, 2009 or at such a higher price as may be decided by the Board convertible into 25,00,000 (Twenty Five Lakhs) Equity Shares of face value of Rs.10/- each of the company aggregating to Rs. 2,50,00,000/- (Rupees Two Crores and Fifty Lakhs Only) conversion of which should be made within period of not exceeding 18 months from the date of allotment of warrants in one or more tranches, in accordance with SEBI(ICDR) Regulations, 2009 and on such terms and conditions and in such a manner as the Board may think fit."

"RESOLVED FURTHER THAT the relevant date for the purpose of determining the issue price under SEBI (ICDR) Regulations, 2009 for preferential issue shall be 28th August, 2011."

"RESOLVED FURTHER THAT the Warrants allotted in terms of this resolution and the resultant equity shares arising on exercise of rights attached to such warrants shall be subject to lock in requirement as per the provisions of Chapter VII of the SEBI(ICDR) Regulations, 2009."

"RESOLVED FURTHER THAT the Equity Shares allotted in terms of this resolution shall rank pari passu in all respects with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to issue or allotment of the aforesaid warrants and resultant equity shares to the holders of warrants upon exercise of right to subscribe the shares and listing thereof with the stock exchanges as appropriate and to resolve and settle any questions, difficulties or doubt that may arise in regards to proposed issue, offer and allotment of any said warrants and utilization of the issue proceeds and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto, expressly by authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any other Director(s) or Officer(s) of the Company to give effect to this resolution."

Regtd. Office

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

Date: 12/08/2011

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 **Tuesday, 20th September, 2011 to Tuesday, 27th September, 2011 (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:
- 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.
 - 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.**

NAME OF DIRECTORS	DEVANG J. GADOYA	KALPESH J. JARIWALA	SURYAKANT H. PARIKH	VIRAL N. SHAH	TUSHAR S. SHAH	KUNJAN N. VORA
Age (Date of Birth)	45 Years (08/09/1966)	34 Years (08/09/1977)	64 Years (05/11/1946)	33 Years (24/12/1977)	45 Years (25/10/1965)	24 Years (20/11/1986)
Date of Appointment	23/03/2009	06/06/2008	12/08/2011	12/08/2011	12/08/2011	12/08/2011
Qualification and experience in specific functional area	Graduation in Commerce, having good experience of administration, marketing and taxation	Graduation in Commerce, having 5 years of experience in the field of Account and Taxation	Graduation in Science having more than 40 years of Experience of Textile, Real Estate, Finance and Administration	Graduation in Commerce, L.L.B., having 7 years of experience in relevant matters as an Advocate	Graduation in Commerce, having experience of 20 years in the field of Finance & Securities Transactions	Qualified Chartered Accountant engaged in the business of Electronics and Communication
Directorship held in other companies*	2	1	Nil	Nil	4	Nil
Membership / Chairmanships of Committee in other Public Companies	None	None	None	None	Yes	None

***Pvt. Companies excluded**

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) 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 as item No. 5,6,7,8,9 and 10 of the accompanying notice dated 12/08/2011 and should be taken as forming part of notice.

Item No.5:

The Board of Directors of the company (the 'Board') at its meeting held on 12th August, 2011, appointed Mr. Suryakant H. Parikh as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 (the 'Act') read with Article 22(d) of the Articles of Association of the company.

In terms of the provisions of Section 260 of the Act, Mr. Suryakant H. Parikh would holds office up to the date of the ensuing Annual General Meeting.

The Company has received notices in writing from members alongwith deposit of Rs.500/- each for proposing candidature of Mr. Suryakant H. Parikh for the office of Director of the Company under Section 257 of the Act.

Mr. Suryakant H. Parikh is not disqualified from being appointed as a Director in terms of Section 274(1)(g) of the Act. Further, the Board appointed, subject to the approval of Members, Mr. Suryakant H. Parikh as a Managing Director of the Company for a period of five years with effect from August 12, 2011.

Mr. Suryakant H. Parikh, aged 64 years, is Science Graduate having more than 40 years of Experience in Textile, Real Estate, Finance and Administration.

It is proposed to seek Members approval for the appointment of and remuneration payable to Mr. Suryakant H. Parikh as Managing Director in terms of the applicable provisions of the Act.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Suryakant H. Parikh is as under:

I. PERIOD:

For a period of 5 years with effect from 12th August, 2011.

II. REMUNERATION

A. SALARY:

The Managing Director shall be entitled to salary of Rs. 50,000/- per month.

B. PERQUISITES:

1. Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either or put together are not taxable under the Income-tax Act, 1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of Service.
3. Encashment of leave at the end of tenure.
4. Medical Reimbursement:
Medical reimbursement expenses incurred for the Managing Director and family Subject to ceiling of one month's salary per year or three month's salary over a period of five years.
5. Leave Travel Concession for self and family at a rate not exceeding one month's Salary for one year or three month's salary in a block of three years.
6. Free use of Company's car with driver for Company's business and free telephone facility at residence.

III. The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

IV. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any Selling Agency of the Company without the prior approval of the Central Government.

V. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The Headquarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decide from time to time.

VI. TERMINATION:

The Managing Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 90 days' Notice to the Company.

VII. COMPENSATION:

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to extent and subject to limitation as provided under Section 318 of the Companies Act, 1956.

As per the provision of Section 198, 269, 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by Special Resolution is necessary for holding office as Managing Director of the Company on remuneration.

The terms and conditions mentioned in the above Explanatory Statement may be treated as abstract of the terms of proposed contract under Section 302 of the Companies Act, 1956.

Resolution of the Board of Directors and Draft agreements of appointment are open for inspection at the registered office of the Company between 11.00 A.M to 1.00 P.M.

None of the present Directors is concerned or interested in the business except Mr. Suryakant H. Parikh and Bhavin S. Parikh. The proposed appointee Mr. Suryakant H. Parikh may be treated as concerned or interested in the said business as the business is relating to his appointment as Managing Director of the Company with effect from 12th August, 2011 and Mr. Bhavin S. Parikh is son of Mr. Suryakant H. Parikh.

The Board of Directors recommends the resolution for approval of shareholders.

Item No.6:

Under section 260 of the Companies Act, 1956, Mr. Viral N. Shah was appointed as an Additional Director of the Company in the Meeting of the Board of Directors held on August 12, 2011. Mr. Viral N. Shah holds his office upto the date of ensuing Annual General Meeting. Due notice under section 257 of the Act has been received from a member alongwith requisite fee, proposing the appointment of Mr. Viral N. Shah as Director of the Company liable to retire by rotation.

None of the Director of the Company except Mr. Viral N. Shah is concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of shareholders.

Item No.7:

Under section 260 of the Companies Act, 1956, Mr. Tushar S. Shah was appointed as an Additional Director of the Company in the Meeting of the Board of Directors held on August 12, 2011. Mr. Tushar S. Shah holds his office upto the date of ensuing Annual General Meeting. Due notice under section 257 of the Act has been received from a member alongwith requisite fee, proposing the appointment of Mr. Tushar S. Shah as Director of the Company liable to retire by rotation.

None of the Director of the Company except Mr. Tushar S. Shah is concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of shareholders.

Item No.8:

Under section 260 of the Companies Act, 1956, Mr. Kunjan N. Vora was appointed as an Additional Director of the Company in the Meeting of the Board of Directors held on August 12, 2011. Mr. Kunjan N. Vora holds his office upto the date of ensuing Annual General Meeting. Due notice under section 257 of the Act has been received from a member alongwith requisite fee, proposing the appointment of Mr. Kunjan N. Vora as Director of the Company liable to retire by rotation. None of the Director of the Company except Mr. Kunjan N. Vora is concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of shareholders.

Item No.9:

Members of the Board keeping in view of the increased level of the business activities in future decided that the company would require more working capital funds for business activities. To accommodate this working capital requirement, company needs to increase the Paid up Share Capital and in view of this, it is proposed to increase the Authorized Share Capital of the Company from Rs.5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs.6,00,00,000/- (Rupees Six Crores Only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each. The proposed increase in Authorized Share Capital of the Company requires consequential amendment in Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company and therefore approval of the shareholders of the Company is required through Special Resolution. The Board proposes this resolution for the approval of the shareholders.

None of the Director of the Company is interested in the resolution.

Item No. 10:

Your Company is proposing to create, offer, issue and allot up to 25,00,000 (Twenty Five Lakhs) Convertible warrant at a price calculated in accordance with the SEBI (ICDR) Regulations,2009 or at such higher price as may be decided by the Board, convertible into 25,00,000 (Twenty Five Lakhs) Equity Shares of face value of Rs.10/- each of the Company aggregating to Rs.2,50,00,000/- (Rupees Two Crores and Fifty Lakhs only) to the person belonging to promoters as well as non-promoters group on preferential basis.

I. Object of the Issue:

Object of the issue is to meet the long term working capital requirements of the company, enhancements of competitiveness and strengthening of its financial position through long-term resources, expansion of the present activity, Investment and/Loan to Other Bodies Corporate as a strategic investment.

II. Intention of the person belonging to Promoters and Non-Promoters Group to subscribe to offer

The persons belonging to promoters and non-promoters group intend to subscribe to the issue.

III. Shareholding Pattern before and after the issue:-

Class of Shareholders	Pre Preferential issue		Post Preferential issue (assuming full conversion of Warrants into equity Shares)	
	No. of Shares	% of total Shares	No. of Shares	% of total Shares
Promoter & Promoter Group				
a. Indian promoter	393800	11.33	868800	14.54
b. Foreign Promoter	Nil	Nil	Nil	Nil
Total Promoter Group	393800	11.33	868800	14.54
Public Shareholdings				
Institutional	77500	2.23	77500	1.30
Non Institutional:				
Bodies corporate	116912	3.36	116912	1.96
Individual	2888488	83.08	4913488	82.21
Any Other (clearing member, etc)	100	0.003	100	0.002
NRI	Nil	Nil	Nil	Nil
Total public shareholding	3083000	88.67	5108000	85.46
Total	3476800	100.00	5976800	100.00

IV. Proposed time within which the allotment shall be completed:

The Board Proposes to allot the Convertible Warrants within a period of 15 days from the date of passing of the Special Resolution by the shareholders of the Company provided that when the allotment on preferential basis is pending on account of any approval or permission for such allotment by any regulatory authority or the Central Government, the period of 15 days shall be counted from the date of such approval or permission.

V. The Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:

Sr. No.	Name of the proposed allottees	Category	Pre Issue		No. of warrants proposed to be issued	Post Issue of shares and warrants*	
			No. of Shares	% of total shares		No. of shares	% of total shares
1.	Bhavik S. Parikh	Promoter	0	0	275000	275000	4.60
2.	Vishal M. Shah	Promoter	0	0	200000	200000	3.35
3.	Ashokkumar C. Shah	Public Non-Promoter	0	0	100000	100000	1.67
4.	Alkaben A. Shah	Public Non-promoter	0	0	100000	100000	1.67
5.	Ashil A. Shah	Public Non-promoter	0	0	75000	75000	1.25
6.	Atish A. Shah	Public Non-promoter	0	0	75000	75000	1.25
7.	Krupa A. Shah	Public Non-promoter	0	0	75000	75000	1.25
8.	Mukeshkumar A. Shah	Public Non-promoter	0	0	100000	100000	1.67

Sr. No.	Name of the proposed allottees	Category	Pre Issue		No. of warrants proposed to be issued	Post Issue of shares and warrants*	
			No. of Shares	% of total shares		No. of shares	% of total shares
9.	Aruna M. Shah	Public Non-promoter	0	0	50000	50000	0.84
10.	Bharatkumar C. Shah	Public Non-promoter	0	0	100000	100000	1.67
11.	Chandrika B. Shah	Public Non-promoter	0	0	50000	50000	0.84
12.	Mehulkumar V. Shah	Public Non-promoter	0	0	50000	50000	0.84
13.	Hetal M. Shah	Public Non-promoter	0	0	50000	50000	0.84
14.	Anita A. Shah	Public Non-promoter	0	0	80000	80000	1.34
15.	Ankit M. Shah	Public Non-promoter	0	0	80000	80000	1.34
16.	Mahendra V. Shah	Public Non-promoter	0	0	80000	80000	1.34
17.	Jyotiben M. Shah	Public Non-promoter	0	0	80000	80000	1.34
18.	Yamini A. Shah	Public Non-promoter	0	0	80000	80000	1.34
19.	Chirag S. Shah HUF	Public Non-promoter	0	0	100000	100000	1.67
20.	Sudha S. Shah	Public Non-promoter	0	0	60000	60000	1.00
21.	Amit K. Shah HUF	Public Non-promoter	0	0	70000	70000	1.17
22.	Ruchita A. Shah	Public Non-promoter	0	0	65000	65000	1.09
23.	Veena K. Shah	Public Non-promoter	0	0	65000	65000	1.09
24.	Shantilal M. Shah HUF	Public Non-promoter	0	0	100000	100000	1.67
25.	Sejal C. Shah	Public Non-promoter	0	0	75000	75000	1.25
26.	Anju K. Chowdhary	Public Non-promoter	0	0	80000	80000	1.34
27.	Kirtilal M. Shah	Public Non-promoter	0	0	100000	100000	1.67
28.	Kirtilal M. Shah HUF	Public Non-promoter	0	0	85000	85000	1.42

*on an assumption of full conversion of the Warrants into Equity Shares of the Company

VI. Consequential changes in the Voting Rights:

Voting rights will change in tandem with the shareholding pattern.

VII. Lock in Period

The aforesaid allotment of warrant and/or equity shares arising on conversion of the warrants into equity shares shall be locked in as per the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009.

VIII. Change in the control or composition of the Board:

Subsequent to the proposed issue of warrants on preferential basis, there will neither be change in control nor a change in the management of the Company. However there will be a corresponding change in the shareholding pattern as well as voting rights consequent to the conversion of warrants into equity shares and allotment of such equity on preferential basis.

IX. Pricing of Issue

The shares are proposed to be allotted on preferential basis at a price calculated in accordance with the SEBI (ICDR) Regulations, 2009 or at such higher price as may be decided by the Board based on the relevant date i.e. 28th August, 2011.

X. Undertakings:

1. The Issuer Company undertakes that they shall re-compute the price of the warrants in terms of the provision of SEBI (ICDR) Regulations, 2009, where it is paid by the allottees.
2. The Issuer Company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in terms of the provision of SEBI (ICDR) Regulations, 2009, the warrants shall continue to be locked-in till time such amount is paid by the allottees.

XI. Auditor's Certificate:

A copy of the certificate from the Statutory Auditors of the Company namely M/s. Shyam Sunder & Associates, Chartered Accountants, certifying that the issue of the warrants is being made in accordance with the requirement of SEBI (ICDR) Regulations, 2009 for preferential issues, will be available for inspection at the Registered office of the Company during 11.00 A.M. to 03.00 P.M. on any working day up to the date of this Annual General Meeting.

XII. Other Terms of Issue of Warrants:

1. The proposed allottees of the warrants shall on or before the date of allotment of warrant pay an amount equivalent to at least 25% of total consideration per warrant.
2. The holders of each warrant will be entitled to apply for and obtain allotment of one equity shares against one warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement the warrant holder shall pay the balance of consideration towards the subscription to each equity share.
3. If the entitlement against the warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited.
4. Upon receipt of requisite payment as above the board (or Committee) shall allot one equity share against one warrant by appropriating Rs.10/- per share towards equity share capital.
5. The warrant by itself till converted into equity shares, does not give to the holders thereof any rights of the shareholders of the Company.
6. The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid up equity shares of the company.

Any of the equity shares and/or warrants issued as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any person/entity/investors, on the same terms and conditions.

The consent of the shareholders is being sought pursuant to section 81 (1A) and other applicable provisions of the Companies Act, 1956, if any, and in terms of the provisions of the Listing Agreements executed by the Company with Stock Exchanges in India where the Company's shares are listed.

None of the Directors of the Company except Mr. Suryakant H. Parikh, Mr. Bhavin S. Parikh and Mr. Vishal M. Shah is in any way concerned or interested in the resolution.

The Board of Directors recommends the resolution for approval of shareholders.

Regtd. Office

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

Date: 12/08/2011

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

Suryakant H. Parikh
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the 27th ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 2010-11 ended on 31st March, 2011.

1. FINANCIAL PERFORMANCE:

	2010-11	(Rs. In Lacs) <u>2009-10</u>
Sales	116.27	Nil
Other Income	—	0.28
Total Income	116.27	0.28
Less : Increase (Decrease) in Stock	114.60	—
Less : Expenses	3.08	2.25
Operating Profit/(Loss)	(1.41)	(1.97)
Less : Interest	—	—
Depreciation	—	0.38
Profit/(Loss) before Tax	(1.41)	(2.35)
Less: Taxation for the year(Fringe Benefit Tax)	—	—
Net Profit / (Loss) after Tax	(1.41)	(2.35)
Balance brought forward	(200.03)	(197.68)
Adjustment of Earlier Year	(1.40)	—
Balance Carried to Balance-Sheet	(202.84)	(200.03)

2. OPERATIONS OF THE COMPANY:

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

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 judgements and estimates that are reasonable and prudent, so as the give a true and fair view of the state of affairs of the Company at 31st March, 2011 being end of the financial year 2010-11 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:**

There is no person drawing remuneration requiring disclosure under Section 217(12-A) of the Companies Act, 1956.

7. CHANGE OF MANAGEMENT:

The Control of the Management of the Company has been changed w.e.f. 30th June, 2011 in favour of Mr. Mukesh N. Shah and Mr. Suresh (Suryakant) H. Parikh and Associates with the approval of the shareholders of the Company through Postal Ballots as per the Regulation 12 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997.

8. AUDITORS:

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 notes and remarks of Auditors' are self-explanatory.

9. 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.

10. LISTING :

The Equity shares of the Company are listed on Ahmedabad and Mumbai Stock Exchanges. The Company has paid Annual Listing Fees of Bombay Stock Exchange Ltd. up to the year 2011-12 and listing fees of Ahmedabad Stock Exchange is outstanding. The Company is regular in complying with the Listing Agreement entered into with the Stock Exchange.

11. CORPORATE GOVERNANCE :

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

12. 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 : 12/08/2011

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, 2011**. 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 five times on 15/05/2010, 12/08/2010, 26/10/2010, 19/01/2011 and 14/02/2011 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 20/09/2010 to 27/09/2010 (both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31/03/2010 was held on 27/09/2010 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 was held during the year.
8. As informed by the Management, during the year under review, the Company not advanced any loan to its directors, or persons or firms or companies referred to under section 295 of the Act.
9. As informed by the Management, during the year under review, the company has not entered into transaction under the provisions of section 297 of the Act.
10. According to the information and explanation given to us, there were no transactions during the year which required necessary entries of particulars of contracts/arrangements referred to in section 301 of the Act in the register required to be maintained under that section.
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 Seven Duplicate Share certificates 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 31.03.2011;
 - (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.

14. The Board of Directors of the company is duly constituted. During the year one director ceased to be director of the Company and there was appointment of two additional directors. Apart from this there were no appointments of Alternate Directors and Directors to fill casual vacancies during the financial year.
15. The Company has not appointed Managing Director/Whole time Director/Manager during the financial year under review.
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, Registrar or such other authority as may be prescribed under the various provisions of the Act.
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 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 or 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 not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny.
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 not altered provisions of Memorandum of Association with respect to the Share Capital of the company during the year under scrutiny.
30. The company has not altered 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**

Place : Ahmedabad
Date : 12/08/2011

M.No. : 12372
COP No. : 4202

ANNEXURE A

Registers as maintained by the Company:

Sr. No.	Section	Name of the Register
1.	150	Register of Members
2.	143	Register of Charges
3.	193	Minutes of meeting of Board of Directors
4.	193 (1)	Minutes of General Meetings
5.	301	Register of Contracts
6.	303	Register of Directors
7.	307	Register of Director's Shareholding

ANNEXURE B

Forms and returns as filed by the company with the Registrar of Companies, Regional Director,

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 66 (2009-10)	383A	27/09/2010 P53000485	Yes	No
2	Form23AC/ACA (2009-10)	220	28/09/2010 P53032462	Yes	No
3	Form 20B (2009-10)	159	30/09/2010 P53245544	Yes	No
4	Form 32 (Appointment and Resignation)	303	24/01/2011 B03690393	Yes	No
5	Form 18	146	24/01/2011	Yes	No

MANAGEMENT DISCUSSION AND ANALYSIS**a. Industry Structure and Developments:**

The Company has diversified its business activity and decided to enter into real estate sector and for that necessary amendments have already been done in the Main Object Clause of the Memorandum of Association of the Company with the approval of the shareholders of the Company by way of Special Resolution passed through Postal Ballots carried out on 30th June, 2011 and now your Board are exploring all opportunities to start the new activities. With the start of new business the Board feels that the value of the shareholders of the company will improve.

The real estate sector in India is on a growth path. The development in the real estate market encompasses growth in both commercial and residential spheres. Further, it has been estimated that there would be shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12), which provides a big investment opportunity, according to a report by the Technical Group on Estimation of Housing Shortage.

Despite the dismal global scenario, the Indian market was somewhat shielded from the effects, as the economy as a whole remained more robust than its counterparts. Though private construction did not accelerate at the same pace as pre-2008, it remained positive.

b. Opportunities and Threats:

Real estate is one of the fastest growing sectors in India. Market analysis pegs returns from realty in India at an average of 14% annually with a tremendous upsurge in commercial real estate. Lease rentals have been picking up steadily and there is a gaping demand for quality infrastructure. Further, the housing sector has been growing at an average of 34% annually.

So far, the situation in both the office and the residential market has been that whatever is built gets sold or rented. In future, as supply increases, developers will have to be more careful about factors like location and target those segments for which they are developing their products. In this supply-rich environment, accurate demand estimates will become very important.

c. Segment wise Performance:

The Company's primary business was moulding during the financial year 2010-11 and the performance has been given in the Report of Board of Directors. The Company has now diversified into real estate sector and its performances will be informed to its shareholders timely as per listing clauses.

d. Recent Trend and Future Outlook:

The real estate market in which the Company has now diversified with the approval of shareholders through Special Resolution passed under the Postal Ballot procedures, 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 2010-11 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 : 12/08/2011

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 Five(5)	Attendance At the Last annual General Meeting
Mr. Suryakant H. Parikh (w.e.f. 12/08/2011)	Managing Director	Promoter Executive Director	-	Nil	N.A.	N.A.
Mr. Bhavin S. Parikh (w.e.f. 30/06/2011)	Director	Non-Executive Non-Independent Director	-	Nil	N.A.	N.A.
Mr. Vishal M. Shah (w.e.f. 30/06/2011)	Director	Non-Executive Non-Independent Director	-	Nil	N.A.	N.A.
Mr. Devang J. Gadoya	Director	Independent Non Executive Director	2	Nil	5	Yes
Mr. Kalpesh J. Jariwala (up to 19/01/2011)	Director	Independent Non-Executive Director	1	Nil	5	Yes
Mr. Hemantparvat Goswami	Director	Independent Non-executive Director	Nil	Nil	3	Yes
Mrs. Sangita D. Gadoya (up to 12.08.11)	Director	Independent Non-executive Director	1	Nil	5	Yes
Mr. Nareshbhai M. Shah (App. On 19/01/2011 Resign. on 12/08/2011)	Additional Director	Independent Non-executive Additional Director	1	Nil	1	N.A.
Mr. PrakashSinh Rehwar (App. On 19/01/2011 Res. On 12/08/2011)	Additional Director	Independent Non-executive Additional Director	4	Yes	1	N.A.
Mr. Viral N. Shah (w.e.f. 12/08/2011)	Additional Director	Independent Non-executive Additional Director	Nil	Nil	N.A.	N.A.
Mr. Tushar S. Shah (w.e.f. 12/08/2011)	Additional Director	Independent Non-executive Additional Director	4	Yes	N.A.	N.A.
Mr. Kunjan N. Vora (w.e.f. 12/08/2011)	Additional Director	Independent Non-executive Additional Director	Nil	Nil	N.A.	N.A.

*Pvt. Companies excluded

b) BOARD OF DIRECTORS

NAME OF DIRECTORS	DEVANG J. GADDOYA	KALPESH J. JARIWALA	SURYAKANT H. PARIKH	VIRAL N. SHAH	TUSHAR S. SHAH	KUNJAN N. VORA
Age (Date of Birth)	45 Years (08/09/1966)	34 Years (08/09/1977)	64 Years (05/11/1946)	33 Years (24/12/1977)	45 Years (25/10/1965)	24 Years (20/11/1986)
Date of Appointment	23/03/2009	06/06/2008	12/08/2011	12/08/2011	12/08/2011	12/08/2011
Qualification and experience in specific functional area	Graduation in Commerce, having good experience of administration, marketing and taxation	Graduation in Commerce, having 5 years of experience in the field of Account and Taxation	Graduation in Science having more than 40 years of Experience of Textile, Real Estate, Finance and Administration	Graduation in Commerce, L.L.B., having 7 years of experience in relevant matters as an Advocate	Graduation in Commerce, having experience of 20 years in the field of Finance & Securities Transactions	Qualified Chartered Accountant engaged in the business of Electronics and Communication
Directorship held in other companies*	2	1	Nil	Nil	4	Nil
Membership / Chairmanships of Committee in other Public Companies	None	None	None	None	Yes	None

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 2010-11 was held on 15/05/2010, 12/08/2010, 26/10/2010, 19/01/2011 and 14/02/2011.

3) AUDIT COMMITTEE

The said committee reconstituted on 12th August, 2011, comprises of three non-executive directors two of them being Independent. The composition of the Audit Committee is as under:

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 15th May, 2010, 12th August, 2010, 26th October, 2010 and 14th February, 2011 which were attended by majority of the members of the committee.

4) SHAREHOLDERS'/INVESTORS' GRIEVANCE 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. The Committee reconstituted on 12th August, 2011, comprising of following members:

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

The pending complaints of the Shareholders/Investors registered with SEBI at the end of the current financial year ended on 31st March, 2011 are Four (4). There was no valid request for transfer of share pending as on 31st March, 2011.

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-Independent Non Executive	Chairman
Mr. Kunjan N. Vora	Independent Non Executive	Member

There was no Executive Director during the year under report, hence no salary to any director. 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
24th	23/08/2008	10.00 A.M.	S/52, Municipal Ind.Estate,Bapunagar, Ahmedabad - 380024	—
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	—
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	—

There was no special resolution passed by the Company at the previous AGM. Pursuant to the provisions of Sections 192 A of the Companies Act, 1956, there was no matter during the year 2009-10, required to be dealt by the Company to be passed through postal ballot.

7) DISCLOSURES

- a) There was no transaction of material nature with Management or with the Directors of the Company during the year.

- b) There was no instance of Non-compliance of any matter related to the capital markets during the last three years.
- c) 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 Western Times (English and Gujarati).

9) FINANCIAL CALENDAR FOR FINANCIAL YEAR 2011-12

Financial year	1st April, 2011 to 31st March, 2012
Results for the First quarter ending 30th June, 2011	Second Week of August, 2011
Results for the Second quarter ending 30th September, 2011	Last Week of October, 2011
Results for the Third quarter ending 31st December, 2011	First Week of February, 2012
Result for the year ending 31st March, 2012	First Week of May, 2012
Annual General Meeting	August/September, 2012
Annual General Meeting for the year 2010-11	27th September, 2011
Place of 27th AGM	Ground Floor, Aditi Flats, Ellisbridge, Ahmedabad – 380006.
Date of Book-Closure	20th September, 2011 to 27th September, 2011 (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 2010-11 is given below:.

MONTH	HIGH	LOW	VOLUME
April, 2010	9.71	8.21	27,800
May, 2010	9.03	7.78	2,700
June, 2010	8.00	6.88	3,100
July, 2010	7.56	5.80	11,500
August, 2010	8.19	6.13	10,200
September, 2010	11.75	6.36	47,000
October, 2010	12.00	10.74	7,600
November, 2010	11.27	6.56	15,500
December, 2010	10.48	7.05	4,09,000
January, 2011	11.55	7.16	2,69,800
February, 2011	9.41	6.13	13,700
March, 2011	6.27	5.01	27,000

11) DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH, 2011

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholdings
Up to 500	12265	95.31	1691112	48.64
501-1000	365	2.84	304000	8.74
1001-2000	126	0.98	199800	5.75
2001-3000	28	0.22	71800	2.07
3001-4000	16	0.12	57800	1.66
4001-5000	23	0.18	110000	3.16
5001-10,000	19	0.15	141788	4.08
Above 10,000	26	0.20	900500	25.90
TOTAL	12868	100.00	3476800	100.00

12) CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH, 2011.

Category	No. of Shares held	% of Shareholding
Promoters & PAC	Nil	Nil
Financial Institutions/ Banks	Nil	Nil
Mutual Fund	77500	2.23
Bodies Corporate	460012	13.23
NRIs	Nil	Nil
Public	2939288	84.54
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. As on 31st March, 2011, a total of 1385300 Shares of the Company which is 39.84% 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 dividend 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 : 12/08/2011

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, 2011.

For and on behalf of the Board

Place : Ahmedabad

Date : 12/08/2011

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, 2011, 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 ensuring 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India. We have to state the Company has maintained records to show investor's grievance against the company and have certified that as on 31st March, 2011, there were no investor grievance remaining unattended/ pending for a period exceeding one month.

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 Sunder & Associates**

Chartered Accountants

Place : Ahmedabad

Date : 12/08/2011

Shyam Sunder

Proprietor

M. No. 128896

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, 2011 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**,

Suryakant H. Parikh
Managing Director

Place : Ahmedabad
Date : 12/08/2011

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 2011, and also the Profit and Loss Account and the 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 provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and Companies (Auditors Report) (Amendment) order 2004 thereon issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said 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 those books.
 - iii. The Balance Sheet and Profit and Loss Account 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 Account 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 written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 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, 2011.
 - (b) In the case of the Profit and Loss Account, 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 SUNDER & ASSOCIATES**
Chartered Accountants
(FRN 130197W)

[SHYAM SUNDER]
Proprietor
M.No.128896

Place : Ahmedabad
Date : 12/08/2011

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 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 fixed asset during the year which effects the continuation 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 not granted unsecured loans to the companies, firm or other Parties covered in the register maintained under section 301 of the Act. The details of the parties and amount involved in the transaction are below:
Number of Parties involved — Nil
Loans granted — Nil
- (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 granted to 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 receipt of the principal amount is regular.
- (d) In our opinion and as per the information given to us the receipt of the principal amount is regular. There is no overdue principal amount during the year hence further comment on this clause not applicable.
- (e) There is no overdue principal amount during the year hence further comment no this clause not applicable.
- (f) The company has not taken any unsecured loans from the companies, firms or other parties covered in the register maintained under section 301 of the Act during the year. Hence specific comment upon the other sub-clause of this clause is not applicable.
- (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, there were no transactions during the year which required necessary entries of particulars of contractors arrangements referred to in section 301 of the Act 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.
- (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 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.
- (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 31.03.2011. However the company has made cash loss of Rs.1,41,167/- and the company has accumulates losses of Rs. 2,02,83,634/- incurred in the immediately preceding financial years. The loss incurred during the year is not more than fifty percent of the net worth of the company.
- (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 securities with a view to make profit, hence information with regard to other point 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 company has not borrowed any term loans during the year, hence specific comment upon this clause not applicable.
- (xvii) 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 and vice-versa.
- (xviii) 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.
- (xix) The company has not issued any debentures during the year specific comment upon the creation of securities in respect of debentures not applicable.
- (xx) 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.
- (xxi) To the best of our Knowledge and belief, and according to the information and explanation given to us, no frauds on or by the company was noticed or reported during the year.

For, **SHYAM SUNDER & ASSOCIATES**
Chartered Accountants
(FRN 130197W)

[SHYAM SUNDER]
Proprietor
M.No.128896

Place : Ahmedabad
Date : 12/08/2011

GUJARAT TOOLROOM LIMITED

BALANCE SHEET AS AT 31 ST MARCH, 2011

Particulars	SCH.	As At 31.03.2011 Amount	As At 31.03.2010 Amount
I. SOURCES OF FUNDS			
(1) Shareholders funds :			
(a) Share Capital	"A"	34,768,000.00	34,768,000.00
(b) Reserve & Surplus	"B"	46,952.00	46,952.00
(2) Loan funds :			
(a) Unsecured Loans	"C"	900,000.00	—
TOTAL		<u>35,714,952.00</u>	<u>34,814,952.00</u>
II. APPLICATION OF FUNDS			
[1] Fixed Assets			
"D"			
Gross Block		948,864.37	948,864.37
Less: Depreciation		585,908.16	585,908.16
		<u>362,956.21</u>	<u>362,956.21</u>
[2] Current Assets, Loans & Advances			
(a) Inventories	"E"	3,450,972.00	14,910,972.00
(b) Sundry Debtors	"F"	3,268,040.50	59,967.70
(c) Cash & Bank	"G"	25,162.33	259,826.63
(d) Loans & Advances	"H"	9,939,381.00	39,381.00
		<u>16,683,555.83</u>	<u>15,270,147.33</u>
Less:- Current Liabilities & Provisions	"I"	1,615,194.11	820,547.41
Net Current Assets		<u>15,068,361.72</u>	<u>14,449,599.92</u>
[3] Miscellaneous Expenditures			
(To the extent not written off)			
Profit & Loss Account		20,283,634.07	20,002,395.87
TOTAL		<u>35,714,952.00</u>	<u>34,814,952.00</u>

NOTES ON ACCOUNTS

"N"

Schedule "A to I" and "N" forms integral part of the Balance Sheet.

As per our attached report of even date.

M/s. SHYAM SUNDER & ASSOCIATES

Chartered Accountants

[SHYAM SUNDER]

Proprietor

M.No.128896

Place : Ahmedabad

Dated : 12/08/2011

**FOR & ON BEHALF OF
GUJARAT TOOLROOM LIMITED**

Suryakant H. Parikh *Managing Director*

Vishal M. Shah *Director*

Place : Ahmedabad

Dated : 12/08/2011

GUJARAT TOOLROOM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1/4/2010 TO 31/3/2011

Particulars	SCH.	2010-2011 Amount	2009-2010 Amount
I. INCOME			
Sales (Net of Taxes)		11,626,736.00	—
Other Income	"J"	—	27,516.95
Increase (Decrease) in Stock	"K"	(11,460,000.00)	—
		166,736.00	27,516.95
II. EXPENDITURE			
Administrative and Selling Exp.	"L"	274,903.00	224,942.00
Employees Cost	"M"	33,000.00	—
Depreciation	"D"	—	37,688.00
		307,903.00	262,630.00
NOTES ON ACCOUNTS	"N"		
Loss after Depreciation		(141,167.00)	(235,113.05)
Provision for taxes		—	—
Loss after tax		(141,167.00)	(235,113.05)
Deficit brought Farword		20,002,395.87)	(19,768,034.12)
Adjustment of earlier year		140,071.20	(751.30)
Deficit carried Farword		(20,283,634.07)	(20,002,395.87)
BASIC AND DILUTED EPS		(0.04)	(0.54)

Schedule "J" to "M" forms an integral part of Profit and Loss account.

As per our attached report of even date.
M/s. SHYAM SUNDER & ASSOCIATES
 Chartered Accountants

[SHYAM SUNDER]
Proprietor
 M.No.128896

Place : Ahmedabad
 Dated : 12/08/2011

**FOR & ON BEHALF OF
 GUJARAT TOOLROOM LIMITED**

Suryakant H. Parikh *Managing Director*

Vishal M. Shah *Director*

Place : Ahmedabad
 Dated : 12/08/2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	2010-2011	2009-2010							
SCHEDULE "A" : SHARE CAPITAL									
Authorised:									
5000000 Eq.Share of Rs. 10/- each	50,000,000.00	50,000,000.00							
Issued, Subscribed & Paid up:									
3476800 Eq.Share of Rs. 10/- each fully paid	34,768,000.00	34,768,000.00							
	<u>34,768,000.00</u>	<u>34,768,000.00</u>							
SCHEDULE "B" : RESERVE & SURPLUS									
General Reserves									
	46,952.00	46,952.00							
	<u>46,952.00</u>	<u>46,952.00</u>							
SCHEDULE "C" : UNSECURED LOANS									
- Inter corporate Borrowings	—	—							
- From Directors, Members & their Relatives	900,000.00	—							
	<u>900,000.00</u>	<u>—</u>							
SCHEDULE "D" : FIXED ASSETS									
	GROSS BLOCK	DEPRECIATION BLOCK	NET BLOCK						
NAME OF ASSETS	AS ON 01-04-2010	Addition (Deduction)	AS ON 31-03-2011	AS ON 01-04-2010	For the The Year	Deduction/ Adjustemnt	AS ON 31-03-2011	AS ON 31-03-2011	AS ON 31-03-2010
Plant & Machinery	948,864.37	0.00	948,864.37	548,220.16	37,688.00	0.00	585,908.16	362,956.21	400,644.21
TOTAL	948,864.37	0.00	948,864.37	548,220.16	37,688.00	0.00	585,908.16	362,956.21	400,644.21
PREVIOUS YEAR	3,226,516.56	(2,277,652.19)	948,864.37	2,251,652.16	98,965.00	1,802,397.00	548,220.16	0.00	4,400,644.21
SCHEDULE "E" : INVENTORIES									
(As certified and Valued by Management)									
Finished Goods							—	3,500,000.00	
Semi Finished Goods							940,000.00	8,900,000.00	
Stores & Spares							2,510,972.00	2,510,972.00	
							<u>3,450,972.00</u>	<u>14,910,972.00</u>	
SCHEDULE "F" : SUNDRY DEBTORS									
(Unsecured but considered Good)									
- Outstanding More than Six Month							2,262,290.20	59,967.70	
- Other							1,005,750.30	—	
							<u>3,268,040.50</u>	<u>59,967.70</u>	
SCHEDULE "G" : CASH & BANK BALANCE									
Cash on Hand							7,190.91	247,555.21	
Cash with Scheduled Bank:									
In Current Accounts :									
- Union Bank of India							12,271.42	12,271.42	
- UCO Bank Ltd.							5,700.00	—	
							<u>25,162.33</u>	<u>259,826.63</u>	

GUJARAT TOOLROOM LIMITED

PARTICULARS	2010-2011	2009-2010
SCHEDULE "H" : LOANS & ADVANCES		
(Unsecured but considered good)		
Receivable in cash, kind or otherwise	9,939,381.00	39,381.00
	<u>9,939,381.00</u>	<u>39,381.00</u>
SCHEDULE "I" : CURRENT LIABILITIES		
Sundry Creditors For Goods	676,060.00	676,060.00
Sundry Creditors For Expenses	95,394.00	95,394.00
Provisions & Other Liabilities	843,740.11	49,093.41
	<u>1,615,194.11</u>	<u>820,547.41</u>
SCHEDULE "J" : OTHER INCOME		
Sundry Balance Written off	—	27,441.00
Misc. Income	—	75.95
	<u>—</u>	<u>27,516.95</u>
SCHEDULE "K" : INCREASE (DECREASE) IN FINISHED GOODS		
Stock At Commencement	12,400,000.00	12,400,000.00
Stock At End	940,000.00	12,400,000.00
	<u>(11,460,000.00)</u>	<u>—</u>
SCHEDULE "L" : ADMINISTRATIVE, SELLING & DISTRIBUTION EXPS.		
Advertisement Exp.	15,380.00	7,310.00
Audit Fees	20,000.00	15,500.00
Consultancy charges	7,500.00	1,000.00
Bank Charges	300.00	1,261.00
Director Sitting Fees	—	1,500.00
Office Exp.	27,212.00	
ROC-Filing Fess	1,500.00	13,500.00
Printng Exp.	39,600.00	161.00
Postage Exp.	55,262.00	—
Share Transfer Agent Fees	56,969.00	65,601.00
Stock Exchange - Listing Fees	49,680.00	29,529.00
Telephone & Telex Exp.	1,500.00	1,127.00
VAT (Interest Exp.)	—	88,453.00
	<u>274,903.00</u>	<u>224,942.00</u>
SCHEDULE "M" : EMPLOYEES COST		
Salaries & wages Expenses	33,000.00	—
Contribution to Providend Fund	—	35.00
	<u>33,000.00</u>	<u>35.00</u>

SCHEDULE "N" : SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS**01. SIGNIFICANT ACCOUNTING POLICES:**

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

i) System of Accounting:

The Financial statements are prepared on historical cost basis 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.

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:

Cost of Fixed assets comprises of its purchase price including duties and other non refundable taxes or levies, expenditure incurred in the course of construction or acquisition and any directly attributable costs of bringing the asset to its working condition for the purpose of use for the business.

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 prorata 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. 50487/-

v) Investments:

During the year there is no Long term Investments.

vi) Valuation of Inventories:

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

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.

vii) 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 farword under current asset to avail the credit in the succeeding year.

viii) 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.

ix) Retirement Benefits:

As there are no eligible employees on pay roll during the year hence no specific comment on the retirement benefits to the employees.

x) Research & Development:

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

xii) Provision for current and Deferred Tax:

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.

xiii) Impairment of Assets:

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense.

02. NOTES ON ACCOUNT:

01. Inventory is based upon physical verification by the management. The quantities of inventory are taken on the basis of detailed work out from the bills and the stock records maintained by the company.
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. Balance of Sundry creditors, debtors, loans and advances are subject to confirmation.
04. The audit has been carried out on the basis of the fresh computerized output reconciled.
05. Figures of the previous year have been regrouped / rearranged wherever necessary to confirm to current periods classification.
06. Schedules "A to N" form an integral part of the Balance Sheets as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date.
07. We are unable to categorize the dues to Small Scale Industries (SSI) separately due to lack of information regard to the status of the creditors for goods outstanding above 30 days as on the balance sheet date.
08. 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.
09. Balance Sheet Abstract and company's general business profile as per the annexure.
10. Additional information pursuant to provisions of paragraphs 4C and 4D of part II of Schedule VI to the companies Act, 1956 (Information given to the extent applicable)

I. Particulars in respect of Goods Manufactured :

(a) Capacity (in Tons.)

Particulars	Licensed		Installed (As certified by Management)	
	2010-11	2009-10	2010-11	2009-10
Plastic Moulded Goods	NIL	250	NIL	NIL
Moulds, Dies, Jigs, Fixtures & Tooling	NIL	600	NIL	NIL

GUJARAT TOOLROOM LIMITED

(b) Actual Production of Goods Manufactured :							[in No.]
Particulars	2010-11		2009-10				
Plastic Moulded Goods	NIL		0				
Moulds	NIL		0				
Parts	NIL		0				

(c) Sales and Stock of Goods manufactured and traded :						
Particulars	Plastic Mould Goods		Moulds		Others	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Opening - Qty.	NIL	NIL		5	NIL	NIL
- Rs.				3500000		
Sales - Qty.	NIL	NIL	NIL	NIL	NIL	NIL
- Rs.	NIL	NIL				
Closing - Qty.	NIL	NIL		5	NIL	NIL
- Rs.				3500000		

(d) Item wise Break Up of Raw Materials Consumed :				
Particulars	2010-11		2009-10	
Raw Material	NIL		NIL	

(e) Value of Import on C.I.F. Basis :				
Particulars	2010-11		2009-10	
Raw Material and Chemicals	NIL		NIL	
Stores and Spare Parts	NIL		NIL	
Capital Goods	NIL		NIL	

(f) Value of Raw Materials, Stores and Spare Parts consumed				
Particulars	Raw Material		Store & Spare Parts	
	2010-11	2009-10	2010-11	2009-10
Imported	Nil	Nil	Nil	Nil
Indigenous	Nil	Nil	Nil	Nil

(g) The details of foreign exchange inflow and outflow during the year:		
Particulars	Current Yr.	Previous Yr.
Value of goods exported during the year	NIL	NIL
Value of goods imported during the year	NIL	NIL

11. Expenditure incurred on employees who are in receipt of remuneration on the aggregate of not less than Rs.24,00,000/- per annum if employed throughout the year and of Rs.2,00000/- per month if employed for a part of the month at works.

Particulars	Current Yr.	Previous Yr.
No. of Employees	NIL	NIL

12. The additional information pursuant schedule VI of the companies Act,

Auditors Remuneration	Current Yr.	Previous Yr.
Statutory/Tax Audit	20000/-	15500/-
Income Tax	5500/-	5500/-

13. Details of Directors Remuneration : NIL
14. Computation of profit in accordance with section 349 of the Companies Act,1956 for the purpose of section 198 of the said Act is not applicable since no remuneration given to the directors.
15. The prior period adjustment of Rs. 140071.20/- debited to profit & loss appropriation account paid during the year.

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.141167/-
- (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, 2011 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.

As per our attached report of even date.

M/s. SHYAM SUNDER & ASSOCIATES

Chartered Accountants

[SHYAM SUNDER]

Proprietor

M.No.128896

Place : Ahmedabad

Dated : 12/08/2011

**FOR & ON BEHALF OF
GUJARAT TOOLROOM LIMITED**

Suryakant H. Parikh *Managing Director*

Vishal M. Shah *Director*

Place : Ahmedabad

Dated : 12/08/2011

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

PARTICULARS	2010-2011	2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss after tax	(141,167)	(235,113)
Adjustment for: Earlier year	(140,071)	
Depreciation	—	37,688
Provision for taxation - Current & Deffered	—	752
Operating Profit before working	(281,238)	(196,673)
Capital Changes		
Adjustment for:		
Trade and other receivebles	(3,208,073)	(1,000)
Inventories	11,460,000	—
Trade Payables	794,647	(639,921)
Loan & Advances	(9,900,000)	—
Cash generated from operation	(1,134,664)	(837,594)
Direct Taxes Paid	—	
NET CASH FROM OPERATING ACTIVITIES [A]	(1,134,664)	(837,594)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	—	—
Sale of assets	—	—
Investments in Equity shares	—	—
NET CASH USED IN INVESTMENT ACTIVITIES [B]	—	—
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	—	—
Proceeds from Secured loans	—	—
Proceeds from Unsecured loans	900,000	—
NET CASH FROM FINANCING ACTIVITIES [C]	900,000	—
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(234,664)	(837,594)
Cash and Cash Equivalents (Op.)	259,827	1,097,421
Cash and Cash Equivalents (Cl.)	25,162	259,827

As per our attached report of even date.

M/s. SHYAM SUNDER & ASSOCIATES

Chartered Accountants

[SHYAM SUNDER]

Proprietor

M.No.128896

Place : Ahmedabad

Dated : 12/08/2011

**FOR & ON BEHALF OF
GUJARAT TOOLROOM LIMITED**

Suryakant H. Parikh *Managing Director*

Vishal M. Shah *Director*

Place : Ahmedabad

Dated : 12/08/2011

BALANCE SHEET ABSTRACT & GENERAL BUSINESS PROFILE OF THE COMPANY

I. REGISTRATION DETAILS

Registration No.	L29199GJ1983PLC006056
State code	04
Balance sheet Date	31/03/2011

II. CAPITAL RAISED DURING THE YEAR [RS. IN '000]

Public Issue	NIL
Right Issue	NIL
Preferential Allotment	NIL
Bonus Issue	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS [RS. IN '000]

Total Liabilities	35,714.95
Total Assets	35,714.95

Sources of funds

Paid-up capital	34,768.00
Reserves & Surplus	46.95
Application Money	—
Secured Loans	—
Unsecured Loans	900.00

Application of funds

Net Fixed Assets	362.96
Investments	—
Net Current Assets	15,068.36
Misc. Expenditure	—
Accumalated Lossess	20,283.63

IV. PERFORMANCE OF THE COMPANY [RS. IN '000]

Turnover	—
Other Income	166.74
Total Expenditure	307.90
Profit/Loss before Tax	(141.17)
Profit/Loss after Tax	(141.17)
Earning per share (in Rs.)	(0.04)

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Item Code No.	N.A.
Product Description	N.A.

As per our attached report of even date.

M/s. SHYAM SUNDER & ASSOCIATES

Chartered Accountants

[SHYAM SUNDER]

Proprietor

M.No.128896

Place : Ahmedabad

Dated : 12/08/2011

**FOR & ON BEHALF OF
GUJARAT TOOLROOM LIMITED**

Suryakant H. Parikh *Managing Director*

Vishal M. Shah *Director*

Place : Ahmedabad

Dated : 12/08/2011

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

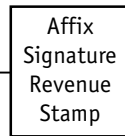
district of _____ or failing him/her Mr./Mrs. _____ of

_____ 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 27th September, 2011 at 11.00 A.M. at Ground Floor, Aditi Flats, Ellisbridge, Ahmedabad-380006.

Signed the _____ day of _____ 2011

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 27th September, 2011 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 handing 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.