

**GUJARAT AUTOMOTIVE GEARS LIMITED**

CIN: L29130HP1971PLC000904

**FOURTY SIXTH ANNUAL REPORT 2016-2017**

**BOARD OF DIRECTORS:**

Mr Rajiv Aggarwal	-	Managing Director.
Mr Ravikant Dhawan	-	Non Executive Independent Director.
Mr Rajendra Prasad Sinha	-	Non Executive Independent Director.
Mrs. Anju Aggarwal	-	Non-Executive Director.

**CHIEF FINANCIAL OFFICER:**

Mr. Shailesh Gandhi.

**COMPANY SECRETARY:**

Mr. Chintan Doshi.

**AUDITORS:**

M/S. Kanu Doshi Associates LLP, Mumbai

**REGISTERED OFFICE:**

Village Billanwali, Baddi-173205 Distt. Solan  
(Himachal Pradesh)

Telephone No.+91(1795)654025/654026

Fax No.+91(1795)245467

E mail : Gujarat.gears@gagl.net

Gujarat.gears@gmail.com

Web site :www.gagl.net.

**CORPORATE OFFICE :**

Kalali-Vadodara-390 012 (Gujarat)

Telephone No. +91(265)2680164/2680537

Fax No.: +91(265)2680984

**BANKERS:**

State Bank of India

Small Industries Development Bank Of India

**REGISTRAR AND SHARE**

**TRANSFER AGENT**

MCS Shares Transfer Agent Limited

1st Floor, Neelam Apartment,

88, Sampatrao Colony,

Above Chappanbhog Sweet, Alkapuri,

Vadodara - 390 007

Tel No. 0265 - 2314757

Email: mcslttdbaroda@gmail.com

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**NOTICE**

CIN: L29130HP1971PLC000904

Regd. Office: Vill. : Billanwali, Baddi-173205 Distt. Solan (HP)

**NOTICE is hereby given that the 46th Annual General Meeting of the members of GUJARAT AUTOMOTIVE GEARS LIMITED will be held at 11:30 a.m. on Saturday, the 30th December, 2017 at the Registered Office of the Company situated at Vill. Billanwali, Baddi - 173205, District. Solan (HP) to transact the following businesses:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statement for the year ended on 31st March, 2017 of the Company together with the Directors' and Auditors' Reports thereon.
2. To appoint a director in place of Mrs. Anju Aggarwal (DIN 00094267), who retires by rotation and is being eligible for re-appointment.
3. To consider and if thought fit, to pass following resolution as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to recommendations of Audit Committee and the Board of Directors, M/s PRA Associates, Chartered Accountants having Firm Registration No. 002355N, be and are hereby appointed as the Joint Auditors of the Company, for a period of five years to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 51st AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company, at such remuneration as may be agreed between the Board of Directors and the Auditors."

4. To consider and if thought fit, to pass following resolution as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to recommendations of Audit Committee and the Board of Directors, M/s M L Bhuwania and Co LLP, Chartered Accountants having Firm Registration No. 101484W/W100197, be and are hereby appointed as the Joint Auditors of the Company, for a period of five years to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 51st Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company, at such remuneration as may be agreed between the Board of Directors and the Auditors."

**SPECIAL BUSINESS :**

5. To fix the remuneration of Mr. Rajiv Aggarwal, Managing Director of the Company and in this regard to consider and, if thought fit, to pass, the following resolutions as Special Resolution:

**"RESOLVED THAT** pursuant to section 197, 200, 203 and other applicable sections, if any, and schedule V and subject to approval of the Central Government if required, consent of the members of the Company be and is hereby accorded to fix remuneration payable to Mr. Rajiv Aggarwal with effect from 01st April, 2017 to 11th September, 2018 as under:

- A. Salary: Not exceeding Rs. 5,50,000 [Rupees Five Lacs Fifty Thousand] per month [including perquisites and other allowance, if any.]
- B. Perquisites:
  - i. Rent Free Accommodation: - Rent Free accommodation subject to ceiling of Rs. 2.50 lacs p.m.
  - ii. Medical Reimbursement: - Reimbursement of expenses incurred for medical treatment for himself and his family.
  - iii. Club Fees: - Fees of Club subject to maximum of two clubs, including admission and life membership fees.
  - iv. Personal accident insurance premium not exceeding Rs. 4000 p.a.
  - v. Reimbursement of Newspapers and periodicals subject to maximum limit of 24000 p.a.
  - vi. Leave travelling concession: - First class air passage for self, wife, dependent children and dependent parents, once in year to any place within or Outside India subject to limit of Rs. 3.00 lacs.
  - vii. Conveyance Allowance Rs 5000 per month.
  - viii. Contribution to provident fund, superannuation fund, or annuity fund to the extent these, either singly or put together, are not taxable under Income tax act, 1962. Gratuity payable shall not exceed ½ month's salary for each completed year of service. Encashment of un-availed leave at the end of tenure.

**RESOLVED FURTHER THAT** where in any financial year, during the currency tenure of Mr. Rajiv Aggarwal as a Managing Director, the Company has no profit or its profits are inadequate, it may pay him with minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above for the period w.e.f. 1st April, 2017 to 11th September, 2018."

**By Order of the Board of Directors**

**Dated : 27-11-2017**

**Place: Baddi**

**Rajiv Aggarwal  
Managing Director**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIM. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY FORM IS SENT HEREWITH.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company.

Proxy submitted on behalf of the companies, Societies etc. must be supported by an appropriate resolution/ authority as applicable.

2. Members should notify change in the address, if any, specifying full address in block letters with pin code of the post office.
3. Members seeking further information on the accounts or any other matter contained in the notice are requested to write to the Company at least 7 days before the meeting, so that relevant information can be kept ready at the meeting.
4. The register of members and share transfer book will remain closed from Saturday, the 23rd December, 2017 to Saturday, the 30th December, 2017 [both days inclusive].
5. Members attending the meeting are requested to bring their copy of the Annual Report.
6. Pursuant to Section 72 of the Companies Act, 2013, members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filing required form.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent.
8. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has created an E-mail. Id: gujarat.gears@gmail.com for quick redressal of shareholders/investors grievances.
9. In terms of the Circulars No. 17/2011 of 21st April, 2011 and 18/2011 of 29th April, 2011 issued by the Ministry of Corporate Affairs (MCA) as part of its "green initiative in Corporate Governance", MCA allows paperless compliances including service of a notice/document by companies to their members through electronic mode. Therefore as was done last year, the Company proposes to send documents required to be sent to the members like Notices of General Meetings (including AGM), Audited Financial Statements, Report of the Directors, and Independent Auditor's Report etc to the members in electronic form to the e-mail IDs provided by them and made available to the Company by the Depositories. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website www.gagl.net for download by the Members. The physical copies of the annual report will be made available upon receipt of a requisition from the members, any time as a member of the Company.
10. Voting through electronic means (E-voting): Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, the Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative for all the members of the Company to enable them to cast their votes electronically. The instructions for E-voting are attached herewith.
11. The Board of Directors of the Company has appointed Mr. Deepak Gupta, Chartered Accountant as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
12. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member (in case of electronic shareholding) as on the cut-off date i.e 23rd December, 2017.
13. A person, whose name is recorded in the register of members by the depositories as on the cut-off date, i.e. 23rd December, 2017 only shall be entitled to avail the facility of e-voting / Poll.
14. The e-voting facility will be available during the following period: Commencement of e-voting: From 9.00 a.m. (IST) on 27th December, 2017 End of e-voting: Up to 5.00 p.m. (IST) on 29th December, 2017.  
The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by (CDSL) upon expiry of aforesaid period.
15. The Scrutinizer, after scrutinising the votes cast at the meeting on poll and through e-voting will, not later than 48 hrs of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.gagl.net and the results shall simultaneously be communicated to the Bombay Stock Exchange.
16. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting.
17. Explanatory statement setting out all material facts concerning the special business u/s 102 of the Companies Act, 2013 is annexed hereto:

### ANNEXURE TO ITEM NO. 2 OF THE NOTICE

Additional information on directors recommended for appointment/ reappointment as required under regulation 36 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

<b>Name of the Director</b>	<b>Mrs. Anju Aggarwal</b>
<b>Date of Birth</b>	5 <sup>th</sup> January, 1955
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	28 <sup>th</sup> December, 2015
<b>Qualifications</b>	M.A. (English)
<b>Nature and Expertise in specific functional areas</b>	General Management
<b>Number of shares held in Company</b>	7821
<b>List of Directorship and Committee membership in Listed Companies (other than Gujarat Automotive Gears Limited)</b>	Nil
<b>Relationship between directors inter-se</b>	Nil



## Explanatory statement in respect of the special business u/s 102 of the Companies Act, 2013

### Item No.5

At the 43rd Annual General Meeting ("AGM") of the Company held on 27.09.2014, shareholders by special resolution approved the appointment of Mr. Rajiv Aggarwal as Managing Director for a period of five years w.e.f. 12th September, 2013. At the same AGM shareholders also approved remuneration payable to Mr. Rajiv Aggarwal not exceeding Rs.3,50,000 per month w.e.f. 01.04.2014 for the period of three years. He is a qualified Chartered Accountant and Company Secretary and having more than 35 years of experience in industry. He is looking after finance, legal, banking, accounts and other commercial matters of the company. Looking to the responsibilities shouldered by Mr. Rajiv Aggarwal, remuneration committee of the Company has recommended to increase in his remuneration with effect from 1st April,2017.

The information required as per part II of schedule V of the Companies Act,2013 is furnished hereunder:

#### I. General Information:

- 1. Nature of Industry :** Automobile industry manufacturing auto parts since 1973.
- 2. Financial Performance:** Total turnover during the year is Rs.3370.63 Lac (Previous Year Rs. 2562.78 Lac) showing increase of 31.52% over the previous year. We have made a Profit after depreciation and interest of Rs. 800.57 Lac (Previous Year Profit of Rs. 617.15 Lac).
- 3. Export Performance:** Exports during the year were Rs. 3124.34 Lac as against Rs. 2435.42 Lac during the previous year. During the current year our export sales are 92.69% of our total turnover.

#### II. Information about Mr. Rajiv Aggarwal, Appointee :

- 1. Background details:** Mr. Rajiv Aggarwal is a qualified Chartered Accountant and Company Secretary and having more than 35 years of experience in industry. He is looking after finance, legal, banking, accounts and other commercial matters of the company.
- 2. Past Remuneration:** Rs.3,50,000 per month as Managing Director of the Company.
- 3. Recognition or awards:** None
- 4. Job profile and his suitability :** He is looking after finance, legal, banking, accounts, marketing and other commercial matters of the company and proposed remuneration is low comparing his qualification, experience, efforts and responsibility as Managing Director of the Company.
- 5. Remuneration proposed:**
  - A. Salary: Not exceeding Rs. 5, 50,000 [Rupees Five Lacs Fifty Thousand] per month [including perquisites and other allowance, if any] w.e.f 1st April, 2017.**
  - B. Perquisites:**
    - i. Rent Free Accommodation:** - Rent Free accommodation subject to ceiling of Rs. 2.50 lacs p.m.
    - ii. Medical Reimbursement:** - Reimbursement of expenses incurred for medical treatment for himself and his family.
    - iii. Club Fees:** - Fees of Club subject to maximum of two clubs, including admission and life membership fees.
    - iv. Personal accident insurance premium** not exceeding Rs. 4000 p.a.
    - v. Reimbursement of Newspapers and periodicals** subject to maximum limit of 24000 p.a.
    - vi. Leave travelling concession:** - First class air passage for self, wife, dependent children and dependent parents, once in year to any place within or Outside India subject to limit of Rs. 3.00 lacs.
    - vii. Conveyance Allowance** Rs 5000 per month.
    - viii. Contribution to provident fund, superannuation fund, or annuity fund** to the extent these, either singly or put together, are not taxable under Income tax act, 1962. Gratuity payable shall not exceed ½ month's salary for each completed year of service. Encashment of un-availed leave at the end of tenure.
- 6. Comparative remuneration profile with respect to industry size, size of company, profile of the person:**

Comparative remuneration figure with respect to industry is not available. However, proposed remuneration payable to Mr. Rajiv Aggarwal is low comparing his qualification, experience, efforts and responsibility as Managing Director of the Company.
- 7. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel:**

Mr. Rajiv Aggarwal has no pecuniary relationship directly or indirectly with the Company as managerial personnel except remuneration as Managing Director drawn by him and dividend on equity shares, declared if any, by the Company for his shareholding in the Company.

#### III. Other information:

- 1. Reason for inadequate profits :** Due to industrial recession, sales could not increase as expected and Company can not increase price of its products to maintain export sales.
- 2. Steps taken or proposed to be taken for improvement:** The Managing Director will visit frequently the foreign countries to procure more orders and try to boost export sales.
- 3. Expected increase in productivity and profits in measurable terms:** Considering the market situation it is difficult to predict productivity and profits in measurable terms in the coming years.

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

No Director, Key Managerial Personnel or their relatives, except Mr. Rajiv Aggarwal is directly or indirectly concerned or interested in the above resolution except to the extent of his shareholding (including his relatives), if any, in the Company.

This explanatory statement together with the accompanying notice may also be considered as an abstract of terms of the contract and memorandum under section 102 of the Companies Act, 2013.

The instructions for shareholders voting electronically are as under:

1. The voting period begins on 27th December, 2017 at 9:00 A.M. and ends on 29th December, 2017 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd December, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
4. Click on Shareholders.
5. Now enter your User ID  
For CDSL: 16 digits beneficiary ID,  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
Members holding shares in Physical Form should enter Folio Number registered with the Company.
6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
8. If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the serial number print in address slip.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Date of Birth as registered with the DP/RTA in dd/mm/yyyy format Or Enter the Dividend Bank Details as recorded with your DP/RTA.  Please note - In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA should enter No. of shares held by you as on the cut-off date i.e. <b>23<sup>rd</sup> December, 2017.</b>

9. After entering these details appropriately, click on "SUBMIT" tab.
10. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN i.e. **171201002** for the relevant Company Name, i.e. Gujarat Automotive Gears Limited on which you choose to vote.
13. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
18. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. Note for Non - Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**By Order of the Board of Directors**

**Dated : 27-11-2017**  
**Place: Baddi**

**Rajiv Aggarwal**  
**Managing Director**



## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 46<sup>th</sup> Annual Report of the Company together with the audited accounts for the Financial Year ended March 31, 2017.

### 1. Financial summary or highlights/Performance of the Company

#### FINANCIAL RESULTS:

(Rupees in lacs)

Particular	2016-2017 Rs.	2015-2016 Rs.
Operating Profit	830.89	645.92
Less : Depreciation	30.32	28.77
Total Profit for the year after depreciation but before tax	800.57	617.15
Less : Provision for taxation	272.00	207.00
Less : Provision for deferred tax assets / liabilities	(2.42)	0.21
Profit after tax	530.99	409.94
Balance of profit brought forward from previous year	2327.46	1973.33
Profit available for appropriation	2858.45	2383.27
Less : Proposed dividend	0	12.25
Less : Tax on proposed dividend	0	2.49
Less : Transferred to general reserve	0	41.07
Less : Depreciation charged to Reserve & Surplus (P&L A/c)	0	0
Net profit carried forward to balance sheet	2858.45	2327.46

### 2. Dividend.

The Board has not recommended any dividend for the Financial Year 2016-17.

### 3. Reserves.

For the financial year 2016-17 the Company proposes to carry Rs.344.95 lacs to the reserves which results in aggregate reserves and surplus of Rs. 3203.41 lacs.

### 4. Brief description of the Company's working during the year/State of Company's affair.

Total turnover during the year is Rs.3370.63 Lac (Previous Year Rs. 2562.78 Lac) showing increase of 31.52% over the previous year. We have made a Profit after depreciation and interest of Rs. 800.57 Lac (Previous Year Profit of Rs. 617.15 Lac). Exports during the year were Rs. 3124.34 Lac as against Rs. 2435.42 Lac during the previous year. During the current year our export sales are 92.69% of our total turnover. As in the past, during the coming year more focus will be on exports with regular visits to customers and tapping new customers at trade fairs and exhibition.

### 5. Change in the nature of business, if any.

There is no change in the nature of business during the financial year 2016-17.

### 6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

No material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

### 7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

During the year 2016-17 no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### 8. In the matter of Amalgamation of Him Teknoforge Limited (Transferor Company) with the Company i.e. Gujarat Automotive Gears Limited (Transferee Company), under section 230-232 read with section 66 and other applicable provisions of the Companies Act, 2013.

Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT"), in the matter of Amalgamation of Him Teknoforge Limited (Transferor Company) with Transferee Company, under section 230-232 read with section 66 and other applicable provisions of the Companies Act, 2013, vide its order dated 05.05.2017 directed the meeting of secured creditors, unsecured creditors and shareholders of the company as on 23.06.2017.

As directed by the NCLT, the meeting of secured creditors, unsecured creditors and shareholders of the company was held on 23.06.2017 at Chandigarh and the matter of Amalgamation as stated above was passed with the requisite majority respectively.

Further update on the same matter shall be disseminated to the stakeholders as may require, through the website of Bombay Stock Exchange (BSE) and Company's own website i.e. www.gagl.net

**9. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

The Company has appointed internal auditor for adequacy of internal financial controls and your Board has taken adequate care for financial control. The Auditors' report on Internal Financial Control is attached herewith as Annexure B to the Auditors' Report.

**10. Details of Subsidiary/Joint Ventures/Associate Companies.**

Your Company has no Subsidiary/Joint Ventures/Associate Companies during the year.

**11. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.**

No details are given as your Company has no Subsidiary/Joint Ventures/Associate Companies during the year.

**12. Deposits.**

Your Company has not accepted any deposit during the year and there was no deposit at the beginning of the year. Therefore the details relating to deposits, covered under Chapter V of the Act is not applicable.

**13. Auditors.**

• **Statutory Auditors:**

M/s. Kanu Doshi Associates LLP, Chartered Accountants, bearing FRN: 104746W, Auditors of the Company retire at the 46th Annual General Meeting. The said auditor has completed more than five years in the Company. Hence, pursuant to the provisions of section 139 of the Companies Act 2013, the said auditors is not eligible for re-appointment as statutory auditors of the Company.

The audit committee of the Company has considered the qualifications and experience of M/s PRA Associates, Chartered Accountants (Firm Registration No. 002355N) and M/s M L Bhuwania and Co LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) and recommended their appointment as Joint Auditors of the Company.

The Board proposed to appoint M/s PRA Associates, Chartered Accountants (Firm Registration No. 002355N) and M/s M L Bhuwania and Co LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) as a Joint Auditors of the Company for the term of five years starting from this 46th Annual General Meeting to the conclusion of 51st Annual General Meeting of the Company.

The Company has obtained a letter of consent and also a certificate under section 139 and 141 of the Companies Act, 2013 from the M/s PRA Associates, Chartered Accountants (Firm Registration No. 002355N) and M/s M L Bhuwania and Co LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) to the effect that, their appointment, if made would be within the limits prescribed in the said section.

• **Internal Auditors:**

M/s. Ashish Mehta and Associates, Chartered Accountants, Vadodara have been appointed as Internal Auditors of the Company in terms of Section 138 of the Companies Act, 2013 and rules & recognition, made thereunder, for the Financial Year 2017-18 by the Board of Directors, upon recommendation of the Audit Committee.

**14. Auditors' Report.**

No qualification, reservation or adverse remark or disclaimer has been made by the auditor in their auditors' report for the year 2016-17.

**15. Share Capital.**

During the year under review, the Company has not issued any securities nor has granted any stock option or sweat equity.

**16. Extract of the annual return.**

The extract of the annual return in Form No. MGT - 9 forming part of the Board's report is attached herewith as **(Annexure-A)**.

**17. Conservation of energy, technology absorption and foreign exchange earnings and outgo.**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are attached herewith **(Annexure-B)**.

**18. Corporate Social Responsibility (CSR).**

The details on the CSR activities are enclosed as **(Annexure-C)**.

**19. Directors.**

**A) Changes in Directors and Key Managerial Personnel**

The following changes in Directors and Key Managerial Personnel were made during the financial year 2016-17:

Sr. No.	Name of Director/ Key Managerial Personnel	Designation	Category	Date of Appointment	Date of Cessation
1	Mrs. Anju Aggarwal* [DIN: 00094267]	Non-Executive Director	Promoter Group	30.09.2016	--
2	Mr. Ankit Jain [DIN: 02918898]	Non-Executive Director	Independent	29.09.2015	31.10.2016

\* Mrs. Anju Aggarwal (DIN:00094267) was appointed as an Additional Director as on 28.12.2015 by the Board and her terms was regularized as Non-Executive Director at the 45th Annual General Meeting held on 30.09.2016.

**B) Declaration by an Independent Director(s):**

A declaration by Mr. Rajendra Prasad and Mr. Ravikant Dhawan Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 have been given.



The Board of Directors declares that the Independent Directors Mr. Rajendra Prasad and Mr. Ravikant Dhawan in the opinion of the Board are:

- a) persons of integrity and they possess relevant expertise and experience;
- b) not a promoter of the Company or its holding, subsidiary or associate company;
- c) not related to promoters or directors of the company, or its holding, subsidiary or associate company;
- d) have/had no pecuniary relationship with the company, its holding or subsidiary or associate company or promoters or directors of the said companies during the two immediately preceding financial years or during the current financial year;
- e) none of their relatives have or had pecuniary relationship or transactions with the company, its holding, subsidiary or associate company or promoters or directors of the said companies amounting to two percent or more of its gross turnover or total income or fifty lakh rupees whichever is lower during the two immediately preceding financial years or during the current financial year;
- f) neither they nor any of their relatives -
  - i. hold or have held the position of a key managerial personnel or are or have been employees of the Company or its holding, subsidiary, associate company in any of the three financial years immediately preceding the current financial year.
  - ii. are or had been employee or proprietor or a partner in any of the three financial years immediately preceding the current financial year of
    - a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company  
or
    - b) any legal or consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of gross turnover of the said firm;
  - iii) hold together with their relatives two percent or more of the total voting power of the company or
  - iv) is a Chief Executive or director of any non-profit organization that receives twenty-five percent or more of its receipts from the company, any of the promoters or directors of the company or its holding, subsidiary or associate company or that holds two percent or more of the total voting powers of the company;
- g) possess qualifications prescribed in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

### C) Formal Annual Evaluation.

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and individual Directors which includes criteria for performance evaluation of executive directors and non-executive directors. The Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committee. The Board of Directors has expressed their satisfaction with the evaluation process.

### 20. Meetings:

An agenda of Meetings is prepared and circulated in advance to the Directors. During this year, five Board and five Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report.

The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the erstwhile Listing Agreement.

Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors has been given in the Report of Corporate Governance.

### 21. Particulars of loans, guarantees or investments under section 186.

**The Company has given loans or guarantee or made an investment in the following manner during the financial year 2016-2017:**

Sr.no.	Particulars of Loan, Guarantee or investment	Amount	Approved at Board meeting dated	Whether approval of Members vide SR taken
1.	Loan given to Him Teknoforge Limited.	Till the year end i.e. As on 31.03.2017 loan amount is Rs. 26.50 Crores.	Approval of loan amount for sum not exceeding Rs. 30 Crore by Board resolution dated 13.03.2015	Members approved loan amount upto 50 crore by Special Resolution dated 11.02.2015 through postal ballot.

Further the Company states that the loan is given at a rate of interest not lower than the prevailing yield of one year, three year, five year or ten year government security closest to the tenor of loan.

The Company has not given guarantee or made an investment during the financial year 2016-17.

### 22. Particulars of contracts or arrangements with related parties:

Particulars of contracts or arrangements with related parties are given in Form AOC-2 enclosed as (Annexure-D).

### 23. Managerial Remuneration:

Disclosures pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed herewith (Annexure-E).



### 24. Secretarial Audit Report:

The Secretarial Audit Report pursuant to section 204(1) of the Companies Act, 2013 given by M/s. Dinesh Mehta & Co., a company secretary in practice enclosed herewith (Annexure- F).

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### 25. Corporate Governance Report.

The Company has been following the principles and practices of good Corporate Governance and has ensured compliance of the requirements stipulated under Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A detailed report on Corporate Governance as required under Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is appended alongwith the certificate on Corporate Governance, issued by M/s. Dinesh Mehta & Co., Company Secretaries, Vadodara, Gujarat, the Secretarial Auditors, confirming the compliance of conditions on Corporate Governance forms part of the Board Report with (Annexure-G).

### 26. Management Discussion and Analysis Report.

A report on Management Discussion and Analysis, as required in terms of Regulation 34(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Report and it deals with the Business Operations and Financial Performance, Research & Development Expansion & Diversification, Risk Management, Marketing Strategy, Safety & Environment, Human Resource Development, etc. (Annexure - H).

### 27. Risk management.

The Management has put in place adequate and effective system and man power for the purposes of risk management. In the opinion of the Board, there are no risks which would threaten the existence of the Company.

### 28. Directors' Responsibility Statement

Your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors had prepared the annual accounts on a going concern basis; and
- (e) that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 29. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rule thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. Internal Complaints Committee has also been set up to redress complaints received on sexual harassment.

During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employee of the Company.

### 30. Acknowledgements

The Board of Directors gratefully acknowledge the assistance and co-operation received from the State Bank of India and all other statutory and non-statutory agencies for their co-operation.

The Board of Directors also wish to place on record their gratitude and appreciation to the members for their trust and confidence shown in the Company.

The Board of Directors would like to especially thank all the employees of the Company for their dedication and loyalty.

By Order of the Board of Directors

Dated : 27-11-2017

Place: Baddi

Rajiv Aggarwal  
Managing Director



**Annexure - A**

**Form No MGT 9**

**Extract of Annual Return as on the financial year ended on 31.03.2015**

**[Pursuant to section 92(3) of Companies Act 2013 and rule 12(1) of the Companies (Management and Administration) Rule, 2014]**

**I Registration and other details:**

- i. CIN : L29130HP1971PLC000904
- ii Registration date : 27/03/1971
- iii Name of the Company : Gujarat Automotive Gears Limited
- iv Category/ Sub category of the Company : Public Company Limited by shares
- v Registered office Address : Village Billanwali Baddi, Baddi, Himachal Pradesh 173205, India  
Contact Details : gujarat.gears@gmail.com
- vi Whether listed Company : Yes
- vii Details of Registrar and Transfer Agent : MCS SHARE TRANSFER AGENT LIMITED,  
10, Aram Appartment, 12, Sampatrao Colony, B/h. Laxmi Hall,  
Alkapuri, Vadodara - 390007, Tel No : 0265-2314757  
email id: mcsfldbaroda@gmail.com

**II Principal Business activities of the Company.**

Business activities contributing 10% or more of the total turn over of the Company			
Sr. No.	Name and Description of main products / services	*Industrial Group	% to total turnover of the Company.
1	Manufacture of parts and accessories for motor vehicle	293	100%

\*As per National Industrial Classification - Ministry of Statistics and Programme Implementatoin.

**iii. Particulars of Holding, Subsidiary and Associate Companies : NA**

**iv SHARE HOLDING PATTERN(Equity Share Capital Breakup as percentage of Total Equity)**

**1) Category wise Share holding**

Category of Shareholders	No. of shares held at the beginning of the year i.e. on 01.04.2016				No. of shares held at the end of the year i.e. on 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters.</b>									
<b>1. Indian</b>									
g. Individual / HUF	173655	0	173655	9.92	173655	0	173655	9.92	0.00
h. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
i. State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
j. Bodies Corporate	1000803	0	1000803	57.19	840285	0	840285	48.02	-9.17
k. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
l. Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub - total (A) (1) :-</b>	<b>1174458</b>	<b>0</b>	<b>1174458</b>	<b>67.11</b>	<b>1013940</b>	<b>0</b>	<b>1013940</b>	<b>57.94</b>	<b>-9.17</b>
<b>2. Foreign</b>	0	0	0	0.00	0	0	0	0.00	0.00
a. NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b. Other individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d. Bank / FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any other..	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2) :-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of promoter (A) = (A)(1) + (A)(2)</b>	<b>1174458</b>	<b>0</b>	<b>1174458</b>	<b>67.11</b>	<b>1013940</b>	<b>0</b>	<b>1013940</b>	<b>57.94</b>	<b>-9.17</b>

## Annual Report 2016-17

Category of Shareholders		No. of shares held at the beginning of the year i.e. on 01.04.2016				No. of shares held at the end of the year i.e. on 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B.</b>	<b>Public shareholding</b>									
<b>1.</b>	<b>institutions</b>									
	a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
	b) Banks/ FI	0	2750	2750	0.16	0	2750	2750	0.16	0.00
	c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
	d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
	e) Venture Capital Funs	0	0	0	0.00	0	0	0	0.00	0.00
	f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
	g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
	h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	l) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub - total (B)(1) :-</b>	<b>0.00</b>	<b>2750</b>	<b>2750</b>	<b>0.16</b>		<b>2750</b>	<b>2750</b>	<b>0.16</b>	<b>0.00</b>
<b>2.</b>	<b>Non - institutions</b>									
<b>a)</b>	<b>Bodies Corporate</b>									
	i) Indian	31406	500	31906	1.82	46818	500	47318	2.70	0.88
	ii) oversea	0	0	0	0.00	0	0	0	0.00	0.00
<b>b)</b>	<b>Individuals</b>									
	i) Individual shareholders holding nominal share capital up to Rs. 1 lakh.	401078	114105	515183	29.44	532592	112105	644697	36.84	7.40
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	0	0	0	0.00	0	0	0	0.00	0.00
<b>c)</b>	<b>others (HUF and NRI)</b>	<b>25703</b>	<b>0</b>	<b>25703</b>	<b>1.47</b>	<b>41295</b>	<b>0</b>	<b>41295</b>	<b>2.36</b>	<b>0.89</b>
	<b>Sub - total (B)(2) :-</b>	<b>458187</b>	<b>114605</b>	<b>572792</b>	<b>32.73</b>	<b>620705</b>	<b>112605</b>	<b>733310</b>	<b>41.90</b>	<b>9.17</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>458187</b>	<b>117355</b>	<b>575542</b>	<b>32.89</b>	<b>620705</b>	<b>115355</b>	<b>736060</b>	<b>42.06</b>	<b>9.17</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Grand Total (A+B+C)</b>	<b>1632645</b>	<b>117355</b>	<b>1750000</b>	<b>100.00</b>	<b>1634645</b>	<b>115355</b>	<b>1750000</b>	<b>100.00</b>	<b>0.00</b>

### ii) Shareholding of Promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year i.e. on 01.04.2016			Share holding at the end of the year i.e. on 31.03.2017			% change in shareholding during the year
		No. of shares	%of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of shares	%of total Shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Vinod Aggarwal	44680	2.55	0.00	44680	2.55	0.00	0.00
2	Asha Aggarwal	64630	3.69	0.00	64630	3.69	0.00	0.00
3	Him Teknoforge Ltd	725803	41.47	0.00	565285	32.30	0.00	-9.17
4	Globe Precision Industries Pvt Ltd	275000	15.71	0.00	275000	15.71	0.00	0.00
5	Rajiv Aggarwal	8740	0.50	0.00	8740	0.50	0.00	0.00
6	Vijay Aggarwal	15721	0.90	0.00	15721	0.90	0.00	0.00
7	Urmiil Aggarwal	11600	0.66	0.00	11600	0.66	0.00	0.00
8	Nitin Aggarwal	9021	0.52	0.00	9021	0.52	0.00	0.00
9	Anju Aggarwal	7821	0.45	0.00	7821	0.45	0.00	0.00
10	Ankur Aggarwal	9221	0.53	0.00	9221	0.53	0.00	0.00
11	Manan Aggarwal	2221	0.13	0.00	2221	0.13	0.00	0.00
	<b>Total</b>	<b>1174458</b>	<b>67.11</b>	<b>0.00</b>	<b>1013940</b>	<b>57.94</b>	<b>0.00</b>	<b>-9.17</b>



**iii) Change in Promoters' Shareholding.**

There is no change in Promoters' shareholding except change in shareholding of Him Teknoforge Limited.

Sr. No.	Name of the Promoter	Date	Shareholding/ Change in shareholding during the year		Cumulative shareholding during the year	
			No. of Shares	% of the total shares of the Company	No. of Shares	% of the total shares of the Company
1	Him Teknoforge Limited	01.04.2016	725803	41.47	725803	41.47
		30.08.2016	557	0.03	725246	41.44
		31.08.2016	30000	1.71	695246	39.73
		14.09.2016	31000	1.77	664246	37.96
		15.09.2016	9000	0.51	655246	37.44
		20.09.2016	56961	3.25	598285	34.19
		21.09.2016	33000	1.89	565285	32.30

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr No.	Name of Shareholder	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding at the end of the year 31.03.2017	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	SUNDARESAN KANNAN	7000	0.40	7000	0.40
2	BHUMIK S KATUDIYA	7000	0.40		0.00
3	VIJAYKUMAR BABULAL SHAH, SHAILESH BABULAL SHAH	5987	0.34	6487	0.37
4	NITA SHAILESH SHAH	5250	0.30	5750	0.33
5	MAHARAJ KUMAR RAGHUBIR	5000	0.29	5000	0.29
6	R CHANDRA MOULI	5000	0.29	5000	0.29
7	SUDHIR B AGARWAL	4778	0.27	4778	0.27
8	PREMCHAND PRAKASHCHAND ZAMBAD, PRAKASHCHAND RANGLAL ZAMBAD	4675	0.27	4865	0.28
9	ANANDA AWALEKAR	4435	0.25	4435	0.25
10	SANKARSAN SAHU	4418	0.25	4468	0.26
11	SALIM HADI RAI	0	0.00	8390	0.48
12	JITENDRA KAPURCHAND PARMAR	882	0.05	6439	0.37
13	GEORGE THOMAS THEKKEKARA, SONA SUSAN ABRAHAM	0	0.00	5000	0.29

\* The shares of the Company are traded on daily basis and hence the datewise increase/ decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Directors and KMPs	Shareholding at the beginning of the year i.e. on 01.04.2016		Shareholding at the end of year i.e. on 31.03.2017	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Rajiv Aggarwal	8740	0.50	8740	0.50
2	Anju Aggarwal	7821	0.45	7821	0.45
3	Ravikant Dhawan	500	0.03	500	0.03
4	Rajendra Prasad Sinha	--	--	--	--
5	Shailesh Gandhi	--	--	--	--
6	Chintan Doshi.	--	--	--	--

V. **INDEBTEDNESS**

*Indebtedness of the Company including interest outstanding / accrued but not due for the payment.*

Particulars		Secured Loans excluding deposits	Unsecured loan	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year i.e. 01.04.2016</b>					
i)	Principal Amount	119008186	0	0	119008186
ii)	Interest due but not paid	0	0	0	0
iii)	Interest accrued but not due	636146	0	0	636146
<b>Total (i+ii+iii)</b>		119644332	0	0	119644332
<b>Change in indebtedness during the financial year</b>					
Addition		0	0	0	0
Reduction		26696169	0	0	26696169
<b>Net Change</b>		-26696169	0	0	-26696169
<b>Indebtedness at the end of the financial year i.e. on 31.03.2017</b>					
i)	Principal Amount	92312017	0	0	92312017
ii)	Interest due but not paid	0	0	0	0
iii)	Interest accrued but not due	523453	0	0	523453
<b>Total (i+ii+iii)</b>		92835470	0	0	92835470



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Director and/or Manager**

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		<b>Rajiv Aggarwal [Managing Director]</b>	
1	Gross Annual Salary		
	Salary as per provisions contained in section 17(1) of the Income tax Act 1961	4221600	4221600
	Value of perquisites u/s 17(2) Income tax Act, 1961	0	0
	Profits in lieu of Salary under section 17(3) Income tax Act,	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
	- as a % of profit	0	0
	- others, specify	0	0
5	Others, Please Specify	0	0
	Total (A)*	4221600	4221600
	Ceiling as per the Act	4200000	4200000

\* Note: Remuneration includes Rs. 21600 as amount of contribution to provident fund which as per the special resolution passed by the shareholders at their Annual General Meeting held on 27.09.2014, not included in the computation of the ceiling of managerial remuneration to the extent these either singly or put together not taxable under the Income Tax Act.

**B. Remuneration to other directors**

Particulars of Remuneration [Annual]	Name of the Director			Total Amount (Rs)
	Rajendra Prasad Sinha	Ravikant Dhawan	Ankit Jain	
<b>1. Independent Directors</b>				
Fees for attending board committee meetings	15000	15000	3000	33000
Commission	0	0	0	
Others, Please Specify	0	0	0	
Total (1)	15000	15000	3000	
<b>2. Other Non Executive Directors.</b>	<b>Anju Aggarwal</b>			
Fees for attending board committee meetings	9000			9000
Commission	0			
Others, Please Specify	0			
Total (2)	9000			
Total (B)=(1+2)				42000

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SI No.	Particulars of Remuneration	key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1	Gross Annual Salary			
	(a) Salary as per provisions contained in Sec 17(1) of the Income tax Act 1961.	284580	445868	730448
	(b) Value perquisites u/s 17(2) Income tax Act, 1961.	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income tax act ,1961.	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	-as % of profit	0	0	0
	-others, specify	0	0	0
	<b>Total</b>	<b>284580</b>	<b>445868</b>	<b>730448</b>

**VII. Penalties/ Punishment/ Compounding of offences. : None**



**ANNEXURE - B**

**Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Income and Outgo as per rule 8(3) of the Companies (Accounts) Rules,2014:**

**(A) Conservation of energy:**

- (i) The steps taken or impact on conservation of energy Nil
- (ii) The steps taken by the Company for utilizing alternate sources of energy Nil
- (iii) The capital investment on energy conservation equipments Nil

**(B) Technology absorption:**

- (i) Efforts, in brief, made towards technology absorption Nil
- (ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. Nil
- (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):(a) Details of technology imported. (b) Year of import(c) Whether the technology been fully absorbed (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof. Nil
- (iv) The Expenditure incurred on Research and Development Nil

**(C) Foreign exchange earnings and Outgo**

Particulars	Amount(in Rs)	
	Foreign Exchange earned in terms of actual inflows during the year	Rs.3188.43 Lac
Foreign Exchange outgo during the year in terms of actual outflows	Rs.162.40 Lac	P.Y (Rs. 107.32 Lac)

**ANNEXURE – C**

**Report on Corporate Social Responsibility:**

**Composition of CSR Committee.**

CSR Committee comprising of the following Directors of the Board:

Name of Director	Category	Status	No. of Meeting attended
Mr. Rajiv Aggarwal	Managing Director	Chairman	1/1
Mrs. Anju Aggarwal	Non-Executive Director	Member	1/1
Mr. Ravikant Dhawan	Non-Executive Independent Director	Member	1/1

Committee met on 13.02.2017, during the year 01<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

**Details about CSR Expenditure.**

Sr. No	Particulars	Amount (Rs)
1.	Average Net Profit of the Company for last three Financial Years.	6,80,97,500
2.	CSR Expenditure required to incurred (2% of Avg net profit of last 3 Financial Year + c/f amount)	20,22,575
3.	Total Amount spent during the year	13,93,954
4.	Amount Unspent*	628,621

**CSR activities at Gujarat Automotive Gears Limited**

S. no	CSR Project/ activity identified	Projects or programs 1.Local area or other 2.State or district where projects or programs was under taken	Sector in which the project is covered	Amount outlay (Budget) (Rs.)	Amount spent on projects or programs (Rs.)	Cumulative expense upto the reporting period (Rs.)	Amount spent Direct or through implementing Agency
1.	Promoting preventive health care.	Thane (w) 400601	Health care	20,22,575	800,000	800,000	Shri Bhiksu Mahapragya Trust 203,DNS Tower, Court Naka, Opp. Town Hall, Thane (w) 400601
		Baddi (HP)	Health care	20,22,575	36,754	836,754	Refreshment Expanses at Blood donation camp.
		Baddi (HP)	Health care	20,22,575	31,500	868,254	Water Cooler donated at Govt. Hospital At Baddi



## Annual Report 2016-17

2.	Promoting education, including special education and employment enhancing vocation skills.	TAL. Baglan, Dist. Nashik-423301	Promoting Education	20,22,575	400,000	12,68,254	Balagan Education Society English Medium School Satana, TAL. Baglan, Dist. Nashik-423301
		Distt. Solan, HP - 173212	Promoting Education	20,22,575	100,700	13,68,954	Government College, Barotiwala, Baddi, HP, Dist- Solan
		Vadodara, Gujarat.	Promoting Education & culture.	20,22,575	25,000	13,93,954	Through United Way of Baroda

\*Reason for unspent amount: Non availability of proper NGO for CSR activities.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

**Sd/-**  
**Mr. Rajiv Aggarwal**  
**Chairman - CSR Committee**

**Sd/-**  
**Mr. Ravikant Dhawan**  
**Member - CSR Committee**

### ANNEXURE-D

#### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:**

- Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
- Details of material contracts or arrangement or transactions at arm's length basis:

i)	Name of the related party :	Him Teknoforge Limited	
	Nature of Relationship :	Mr. Rajiv Aggarwal, Managing Director of the Company is a Director of HIM Teknoforge Limited and Mr. Vijay Aggarwal, relative of Mr. Rajiv Aggarwal is a Managing Director of the said Company.	
ii)	Nature of contract/ arrangement:	Purchase and sale of Material	
iii)	Date of approval by Board and Duration of Contract.	Date of Approval by Board	Duration of Contract
		30.05.2016	1 year [01.04.2016 to 31.03.2017]
iv)	Salient terms of contracts or arrangements :	Purchase of material by the Company on 30 days credit terms.	
	Value of transaction undertaken during the year.	1. Purchase of Material : Rs. 1,96,66,923 2. Sales of Material : Nil	
vi)	Amount paid in advance, if any :	No advanced is paid.	

Note: Form shall be signed by the persons who have signed the Board's report.

**Dated : 27-11-2017**  
**Place: Baddi**

**By Order of the Board of Directors**

**Rajiv Aggarwal**  
**Managing Director**



**ANNEXURE - E**

**Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014.**

	Name of Directors and KMPs.	The Ratio of the remuneration of each Directors to the median remuneration of the employees of the company for the financial year 2016-17.	The Percentage increase in remuneration of each Directors, and KMPs, if any in the financial year 2016-17.	
(i)	Mr. Rajiv Aggarwal [Managing Director]	16.99	40.43%	
	Mr. Shailesh Gandhi [CFO]	NA	11.57%	
	Mr. Chintan Doshi [Company Secretary]	NA	15.59%	
(iii)	Percentage increase in the median remuneration of employees in the financial year 2016-17 compared to 2015-16		9.27%	
(iii)	Number of permanent employees on the rolls of the company as on 31.03.2017.		29	
(vi)	Average percentage increase in salaries of Employees other than managerial personnel in the last financial year.		10.78%	
	Comparison between average percentage increase in salaries of Employees other than managerial personnel in the last financial year and percentage increase in the Managerial Remuneration. And Justification if there any exceptional circumstances for increase in Managerial Remuneration.		Avg % Increase in Managerial Remuneration.	Avg % increase in salaries of Employee other than managerial personnel.
			40.43	10.78
(v)	Key parameter for any variable component of remuneration availed by the Directors.		NA	
(vi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year.		NA	

Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as no employee is in receipt of the remuneration exceeding the limits specified in rule 5(2).

It is hereby affirms that the remuneration is as per the remuneration policy of the Company.

**ANNEXURE - F**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,  
The Members,  
Gujarat Automotive Gears Limited  
Vill. : Billanwali, Baddi-173205  
District: Solan (HP)**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat Automotive Gears (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 (audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable to the company during the audit period)
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the company during the audit period)
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the audit period)
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the audit period)
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the audit period) and
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the audit period)
    - (i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; (Listing Regulations)
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Only SS 1 and SS 2 are notified hence applicable to the company during the audit period)
  - (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



## **Gujarat Automotive Gears Limited**

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We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Mrs. Anju Aggarwal was appointed as an additional director as on 28.12.2015 by the Board and her appointment was regularized as Non-Executive Director at the 45th Annual General Meeting held on 30.09.2016. Mr. Ankit Jain [DIN: 02918898] has resigned as director with effect from 31.10.2016. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All the decisions at the Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and committees, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Dinesh Mehta & CO.  
Company Secretaries**

**Dinesh Mehta  
Proprietor  
C.P.No.2127**

**Place: VADODARA  
Date: 15/06/2017**

## ANNEXURE - G

### CORPORATE GOVERNANCE REPORT

To,  
The Members of GUJARAT AUTOMOTIVE GEARS LIMITED

#### Report on Corporate Governance

(Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

As a Corporate citizen, our business fosters a culture of ethical behavior and fair disclosures, which aims to build trust of our Stakeholders. The Company has established systems and procedures to ensure that its board is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholders value.

Good corporate governance ensures corporate success and economic growth. Strong corporate governance maintains investors' confidence, as a result of which, Company can raise capital efficiently and effectively. The Company's governance framework is based on the appropriate composition and size of the Board with each member having their own expertise in their respective domains. It also includes timely disclosure of all material information to Stakeholders.

As a part of its growth strategy, the Company believes in adopting the 'best practices' in the area of Corporate Governance across various geographies. Effective and transparent corporate governance guarantees that your Company is managed and monitored in a responsible manner to focus on value creation.

#### Company's Philosophy on Code of Governance:

Corporate governance philosophy of the Company is based on appropriate size and composition of the Board with each Director bringing in key expertise in different areas, systematic information flow to the Directors to enable them to effectively discharge their fiduciary duties, ethical business conduct by the management and employees, appropriate systems and processes for internal controls on all operations, risk management and financial reporting and timely and accurate disclosure of all material operational and financial information to the stakeholders.

Company is fully committed to practice sound Corporate Governance and uphold the highest standards in conducting business. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. A report on the matters and the practices followed by the Company is detailed herein below:

#### 1. Board of Directors:

As on March 31, 2017, The Board has four members comprising of one Non-Executive Directors, two Independent Director and one Executive Director. The majority of Board members are Non-Executive Independent Directors as per the requirement of Regulation 17 of SEBI (LODR) Regulations, 2015.

All the Directors have informed to your Company periodically about their Directorship and membership on the Board / Committees of the other Companies. As per disclosure received from Director(s), none of the Director(s) holds membership in more than ten (10) Committees and Chairmanship in more than five (5) Committees.

The details of the composition, nature of directorship, the number of meetings attended and the directorships in other Companies as at March 31, 2017 are detailed herein below:

Name of the Director	Category	No. of Board Meetings held and attended during the year		Attendance at Last AGM held on 30.09.16	*No. of other directorships and committee memberships / chairmanships		
		Held	Attended		Other directorships*	Committee Memberships**	Committee Chairmanships*
Mr. Rajiv Aggarwal	Managing Director	5	5	Yes	2	2	1
Mr. RavikantDhawan	Independent Director	5	5	No	2	2	1
Mr. R P Sinha	Independent Director	5	5	No	1	0	1
Mrs. Anju Aggarwal	Non-Executive Director	5	3	Yes	1	1	0

#### Note:

\*Other Directorships does not include Directorships of private limited companies, Companies formed under section 8 of the Companies Act, 2013 and foreign companies.



\*\*Chairmanship/ Membership of Board Committees include only Audit Committee and Stakeholders Relationship Committee as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

None of the Directors are related inter-se.

### Number of Board Meetings during the year 2016-17:

Name of the Director	Category of the Director	Date of Board Meeting and attendance				
		30.05.2016	11.08.2016	12.11.2016	20.12.2016	13.02.2017
Mr. Rajiv Aggarwal	Managing Director	✓	✓	✓	✓	✓
Mr. Ankit Jain	Independent Director	-	✓	-	-	-
Mr. Ravikant Dhawan	Independent Director	✓	✓	✓	✓	✓
Mr. Rajendra Prasad Sinha	Independent Director	✓	✓	✓	✓	✓
Mrs. Anju Aggarwal	Non-Executive Director	✓	-	✓	-	✓

## 2. Committees of the Board:

Recognizing the immense contribution that committees make in assisting the Board of Directors in discharging its duties and responsibilities and with a view to have a close focus on various facets of the business, the Board has constituted the following three (3) Committees of the Board.

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. CSR Committee.

### (i) Audit Committee:

#### The terms of reference:

Role of the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 18 of the SEBI (LODR) Regulations, 2015 and includes:

1. Overseeing the Company's financial reporting process;
2. Approval or any subsequent modification of transactions of the company with related parties;
3. Reviewing the financial statements and the adequacy of internal audit;
4. Periodic discussions with the Internal Auditors and the Statutory Auditors about their scope of audit and adequacy of internal control systems;
5. To evaluates the company's internal financial control and risk management system;
6. To recommends appointment/ re-appointment of Statutory Auditors and also reviews and monitors the auditor's independence and performance and effectiveness of audit process.

The Audit Committee of the Company meets as per criteria laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

### Composition as well as Attendance of Audit Committee:

Name	Category	Status	No. of Meeting Attended
Mr. Ankit Jain	Independent Director	Chairman*	1/2
Mr. Rajendra Prasad Sinha	Independent Director	Chairman*	3/3
Mr. Rajiv Aggarwal	Managing Director	Member	5/5
Mr. RavikantDhawan	Independent Director	Member	5/5

During the year from 01.04.2016 to 31.03.2017 the Audit Committee met five times on 30.05.2016, 11.08.2016, 12.11.2016, 20.12.2016 and 13.02.2017.

\*Mr. Ankit Jain, Independent Director resigned from the directorship w.e.f 31.10.2016 hence the Audit Committee was reconstituted as on 10.11.2016. And Mr. Rajendra Prasad Sinha has been appointed as a Chairman of the Committee.

### (ii) Nomination and Remuneration Committee:

#### The Terms of Reference:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Company has constituted a Nomination & Remuneration Committee of the Board. All members of the Committee are Non-Executive and Independent Directors. The terms of reference of the Committee inter alia, include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
4. Oversee familiarization programs for directors.

#### Composition as well as Attendance of Nomination and Remuneration Committee:

Name	Category	Status	No. of Meeting Attended.
Mr. Ankit Jain	Independent Director	Chairman*	1/2
Mr. RavikantDhawan	Independent Director	Chairman*	3/3
Mr. Rajendra Prasad Sinha	Independent Director	Member	3/3
Mrs. Anju Aggarwal	Non- Executive Director	Member	1/1

The Committee met on 30.05.2016, 11.08.2016 and 13.02.2017 during the year 01.04.2016 to 31.03.2017.

\*Mr. Ankit Jain, Independent Director resigned from the directorship w.e.f 31.10.2016 hence the Nomination and Remuneration Committee was reconstituted as on 12.11.2016. And Mr. RavikantDhawan has been appointed as a Chairman of the Committee.

#### The policy formulated by nomination and remuneration committee:

The terms of reference of the committee inter alia include succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual/group and also maintains a balance between both short and long term objectives of the company.

#### Performance Evaluation Criteria of selection of Independent Directors:

- a. The Independent Directors shall be of high ethical standards and integrity with relevant expertise, experience and particular skills that will complement Board effectiveness.
- b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall determine and fulfils the criteria of independence, in accordance with the provisions stipulated under the Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015.
- c. To aid determination, every Independent Director shall, on appointment and subsequently on an annual basis submit to the Board a declaration on his/her independence.
- d. The Nomination and Remuneration Committee shall consider the following criteria while recommending to the Board the candidature for appointment as Director:
  - Professional qualification, appropriate experience and the ability to exercise sound business judgment;
  - An ability and willingness to challenge and probe;
  - Strong interpersonal skills and a willingness to devote the required time;
  - A position of leadership or prominence in a specified field.
- e. The Nomination and Remuneration Committee shall ensure that the Director to be appointed is not disqualified for appointment under Section 164 of the Companies Act, 2013.



**(iii) Stakeholders' Relationship Committee:**

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II, Part D of the SEBI (LODR) Regulations, 2015, a Stakeholders' Relationship Committee of the Board has been constituted. The Committee considers redressal of Investors' complaints/grievances.

Composition as well as attendance of Stakeholders' Relationship Committee:

Stakeholders Relationship Committee comprises of the following Directors of the Board.

Name	Category	Status	No. of Meeting Attended.
Mr. RavikantDhawan	Independent Director	Chairman	1/1
Mr. Rajiv Aggarwal	Managing Director	Member	1/1
Mrs. Anju Aggarwal	Non- Executive Director	Member	1/1

The Committee met once on 13.02.2017 during the year 01.04.2016 to 31.03.2017.

**Details of investor complaints received and redressed during the year 2016-17 are as follow:**

Number of shareholders complaints received so far	Number of complaints not solved to the satisfaction of shareholders	Number of pending complaints
1	0	0

**(iv) Corporate Social Responsibility Committee:**

In compliance with the section 135 of the Companies Act 2013 Corporate Social Responsibility (CSR) Committee of the Board has been constituted. The Committee recommend to the Board Budget for CSR activities for the particular financial year, monitor the CSR activities undertaken by the Company. The whole details about the CSR committee and activities undertaken during the Financial year 2016-17 has been given in **Annexure -C**.

**3. General Body Meetings:**

**Details of Annual General Meetings (AGM) held during the last three financial years:**

AGM No.	Date	Time	Location
43 <sup>rd</sup> AGM	27.09.2014	11.30 a.m.	Village Billanwali, Baddi – 173205, Solan (HP)
44 <sup>th</sup> AGM	29.09.2015	11.30 a.m.	
45 <sup>th</sup> AGM	30.09.2015	11.30 a.m.	

Details of Special Resolutions passed in the previous three AGM:	
Sr. No.	<b>At the 43<sup>rd</sup> AGM</b>
1	To appoint Mr. Rajiv Aggarwal as Managing Director of the Company for the period of 5 years w.e.f 12.09.2013 and fixation of his remuneration.
2	To authorized Board to borrow money in excess of limits prescribed under section 180(1)(c) of the Companies Act 2013.
3	To authorized Board to mortgage and/or charge all/ any movable and immovable properties as security with Bank, Financial Institutions, other companies as may be required to avail loans, various fund base / non fund base credit facilities not exceeding Rs. 30 crore pursuant to section 180(a).
	<b>At the 44<sup>th</sup> AGM</b>
1	To appoint Mr. RavoikantDhawan as an Independent Director of the Company for the term of five year w.e.f 29.09.2015.
2	To appoint Mr. Rajendra Prasad Sinha as an Independent Director of the Company for the term of five year w.e.f 29.09.2015.
3	To appoint Mr. Ankit Jain as an Independent Director of the Company for the term of five year w.e.f 29.09.2015.



**\*No special Resolution was passed at the 45th AGM.**

**Details of special resolution passed through postal ballot:**

No special resolution was passed through postal ballot in last year i.e. 2016-17.

**4. Disclosures:**

**Related Party Transactions:**

During the financial year under review, your Company has transactions / contracts / agreements that are classified as "Related Party Transactions" under provisions of the Companies Act, 2013 and the Rules framed thereunder. These contracts/arrangements/agreements have been in the ordinary course of business, to facilitate the business of the Company and have been approved by the Audit Committee and Board of Directors. Suitable disclosures as required by Accounting Standards (AS-18) have been made in the Notes to the financial statements as well as in Board Report disclosure made in **Annexure - D**. Company has also formulated a Related Party Transactions Policy which is available on the website of the Company. There are no materially significant transactions with the related parties' viz. promoters, directors or the management or their relatives etc. that had potential conflict with the company's interest.

**Vigil Mechanism:**

The Company has framed a whistle blower policy in terms of Companies Act, 2013 and the same may be accessed on the Company's website. And that the every employee of the Company can directly report to the Chairman of the Audit Committee when she / he become aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanor or act not in the company's interest.

**5. Means of Communications**

The website of the Company <http://www.gagl.net> is the primary source of information about the company to the public. The Company maintains a functional website containing the basic details of the Company in terms of Regulation 46 of the SEBI (LODR) Regulations, 2015. The quarterly, half-yearly and annual results of the Company are published in English and Vernacular languagenewspapers as per the requirements of Regulation 47 of the SEBI (LODR) Regulations, 2015. The results are available on the website of the Company.

**6. General Shareholders Information:**

- i. Annual General Meeting:** Day: Saturday  
Date: 30th December, 2017  
Time: 11:30 A.M.
- ii. Financial Year:** Financial Year of the Company is April 1 to March 31.
- iii. Date of Book Closure:** 23rd December, 2017 to 30th December 2017
- iv. Listing on Stock Exchanges:** The BSE Limited
- v. Listing Fees:** The Company has paid annual listing fees to the Stock Exchange for the year 2017-18.
- vi. Stock Code:** BSE Limited : 505712
- vii. CIN of the Company:** L29130HP1971PLC000904
- viii. ISIN:** INE705G01021

ix. Monthly high, low prices and number of shares traded from April, 2016 to March, 2017 on the BSE Limited are as follows:

Months	BSE Limited		
	High (Rs.)	Low (Rs.)	Total No. of Shares Traded
April-16	198.90	172	14,303
May-16	208.40	175	23,553
June-16	190	176.25	15,461
July-16	194.80	180	21,397
August-16	314.70	180	2,32,154
September-16	269	206.30	5,60,066
October-16	245	224.10	71,966



## Gujarat Automotive Gears Limited

November-16	249.75	185	71,487
December-16	210	164	42,048
January-17	213.70	169	51,117
February-17	246	190	101670
March-17	244.90	218.10	63,515

- x. Registrar and Transfer Agents:** MCS SHARE TRANSFER AGENT LIMITED  
1st Floor, Neelam Apartment, 88, Sampatrao Colony,  
Above Chhappanbhog Sweet, Vadodara - 390007  
**Tel No :** 0265-2314757  
**Email Id :** mcsitdbaroda@gmail.com
- xi. Share Transfer System:** Share Transfer requests, which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being in order and complete in all aspects.
- xii. Address for Correspondence:** Company Secretary & Compliance Officer  
Gujarat Automotive Gears Limited, Kalali, Vadodara - 390012  
(T): (0265) 2680164  
Email id: gujarat.gears@gmail.com  
Website: www.gagl.net
- xiii. Plant Locations:** Kalali, Vadodara-390012
- xiv. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity** The Company has not issued any GDRs/ADR as on date.
- xiv. Dematerialization of Shares: \_\_\_\_\_** 93.41% of the paid-up capital of the Company has been in dematerialized form as on March 31, 2017.
- xv. Shareholding Pattern as on March 31, 2017: [Annexure A]**
- xvi. Distribution Schedule as on March 31, 2017:**

Range	Shares	Folios	Percent Shares	Percent Holders
1 - 500	368096	2838	21.0341	91.6667
501 - 1000	114401	138	6.5372	4.4574
1001 - 2000	88211	61	5.0406	1.9703
2001 - 3000	70070	28	4.0040	0.9044
3001 - 4000	30539	9	1.7451	0.2907
4001 - 5000	33746	7	1.9283	0.2261
5001 - 10000	68369	9	3.9068	0.2907
10001 - 50000	71653	3	4.0945	0.0969
50001 - 100000	64630	1	3.6931	0.0323
<b>And Above</b>	<b>840285</b>	<b>2</b>	<b>48.0163</b>	<b>0.0646</b>
<b>Total *</b>	<b>1750000</b>	<b>3096</b>	<b>100.0000</b>	<b>100.0000</b>

**xvii. Position of Shares as on 31st March, 2017:**

The Percentage of Shares held in NSDL (79.38%), CDSL (14.02%) and in Physical Form (6.59%).

**7. Disclosures with respect to demat suspense account / unclaimed suspense account:**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	NIL
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year	NIL
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	NIL

**Green Initiative**

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to shareholders at their e-mail address registered with their Depository Participants (DPs)/ Company/Registrars & Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with our Registrar and Transfer Agent i.e. M/sMCS Share Transfer Agent Limited, by sending a letter, duly signed by the first/sole holder quoting Folio No.

**For and on behalf of Board of Directors**

**Dated : 27-11-2017**

**Place: Baddi**

**Rajiv Aggarwal  
Managing Director**



**CONFIRMATION ON CODE OF CONDUCT**

**[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,  
The Members  
Gujarat Automotive Gears Limited

This is to confirm that the board has laid down a code of conduct for Board of Directors and senior management of the Company. It is further confirmed that all Directors and senior management of the company have affirmed compliance with the Code of Conduct of the Company as at March 31, 2017, as envisaged in Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For and on behalf of Board of Directors**

**Dated : 27-11-2017**  
**Place: Baddi**

**Rajiv Aggarwal**  
**Managing Director**

**CEO/CFO Certification**  
**TO WHOM SO EVER IT MAY CONCERN**

I, the undersigned, in my respective capacities as Chief Financial Officer of Gujarat Automotive Gears Limited ("the Company") to the best of our knowledge and belief certify that:

- A. I have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2017 and that to the best of my knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the company's affairs and are in compliance with existing 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 violative of the company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that 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, of which I 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:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which I become aware and the involvement therein if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours faithfully,

**For Gujarat Automotive Gears Limited**

**Place : Vadodara**  
**Date : 26/05/2017**

**Shailesh Gandhi**  
**Chief Financial Officer**

**Certificate on Compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
Gujarat Automotive Gears Limited,  
Village Billanwali,  
Baddi, Solan, Himachal Pradesh - 173205

We have reviewed the records concerning the company's compliance of conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2017.

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

We have conducted our review on the basis of the relevant records and documents maintained by the company and furnished to us for the review and the information and explanations given to us by the company.

Based on such review, in our opinion, the company has complied with the conditions on Corporate Governance, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**For Dinesh Mehta & Co.  
Company Secretaries**

**Place: Vadodara  
Date: 20.11.2017**

**[Dinesh Mehta]  
Proprietor  
C.P NO. 2127**



## **ANNEXURE - H**

### **Management Discussion and Analysis Report**

#### **Overview**

Gujarat Automotive Gears Limited (GAGL) is a leading name in manufacture of auto and tractor components in domestic as well as international markets. With consistent commitment on superior quality and robust performance of its products, GAGL has earned national and international acclaim and appreciation.

Products includes transmission gears, pins, axle shaft, propeller shaft components, fork lift parts, offroad parts and many more.

#### **Industry Structure & Development**

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system.

The automobile sector of India is one of the largest in the world and accounts for over 7.1% of India's gross domestic product (GDP). It also contributes to nearly 22% of the country's manufacturing GDP. India's export of automotive component and accessories thereof, contributes 5.44% of the India's total export.

The government of India aims to maintain upward growth trend of the automobile industry and has launched several initiatives to achieve the same. The Automotive Mission Plan- 2026 (AMP 2026) is one of the initiative. It clearly lays out the government's collective vision on how the automotive sector should grow regarding size, contribution to national development, technological maturity, global competitiveness and institutional structure. It aims to make India among the top three automotive industries in the world and increase exports exponentially to reach 35-40% of overall output. It also intends to increase its contribution to the GDP to over 12 %, generating 65 million more jobs as well as increasing the size to USD 300 billion by 2026.

#### **Opportunity and Threats**

Over the decade, India has emerged as one of the most preferred locations in the world for manufacturing high quality automotive components. Over the next decade, the Automotive Industry at a global level is likely to see significant transformation. Principal ones that are expected include the shift of growth in demand automotive components from developed nations to developing nations. With a focus on cost optimization, auto industries across the world have looked to cost effective countries like India, for sourcing automotive components, this has led to an increase in India made automotive components exports.

Considering the global scenario and major government initiative, the Company is ready to grab opportunities by developing new products and expanding the customer base.

With the Government of India's emphasis on substitution of imported goods to reduce import bills, sectors such as railway, public transport and defence are expected to look to Indian companies for procurement.

#### **Threats**

Presence of large number of players, domestic as well as multinational, in the automobile industry, results into intensive competition. Moreover, Governments of India's aim to propel the Indian Automotive Industry to be the engine of the "Make in India" programme will intensify competition as the existing entity will have to compete with settled as well as new players entering into the market with some privilege under "Make in India" initiatives.

#### **Segment wise or products wise performance**

The operations of the Company are limited to one segment, namely automotive components.

#### **Outlook**

We plan to continue and expand our product portfolio for Automotive products. The areas of design and manufacturing for automotive components will be systematically expanded. We are also working specifically on developing our manufacturing capabilities.

In the manufacturing, additional measures will be implemented to improve processes and create transparency with the planned introduction of modern systems.

The market response to the profile of Gujarat Automotive Gears Limited continues to be very positive. The management is confident that, with the improved economic environment and further developments within the organization, it will be able to benefit from the investments. These developments can be summarized for Gujarat Automotive Gears Limited in many opportunities for continued expansion and positive development of the business in the next few years.

#### **Risks & Concerns**

Your Company regularly evaluates and reviews potential risks on account of various factors such as government policies, natural/ man-made disasters, and political risks. Apart from above, the Company is exposed to changes in foreign exchange rates and commodity prices, global competition, technological changes, high dependency on few customers. Any change in laws & regulations, whether domestically or internationally could affect the business and financial condition of your Company.

The management of your Company has put in place adequate risk management system so as to minimize and/or eliminate the adverse impact if any, of any of the risks.

#### **Internal Control Systems and their adequacy:**

The Audit of Internal control system is carried out by an Independent firm of Chartered Accountants on a quarterly basis and corrective actions are taken where shortcomings are identified. The Internal Auditors submit their quarterly reports to the Audit Committee and the Board of Directors. All the fixed assets of the company are physically examined and recorded at regular intervals.

**Discussion on financial performance with respect to operational performance**

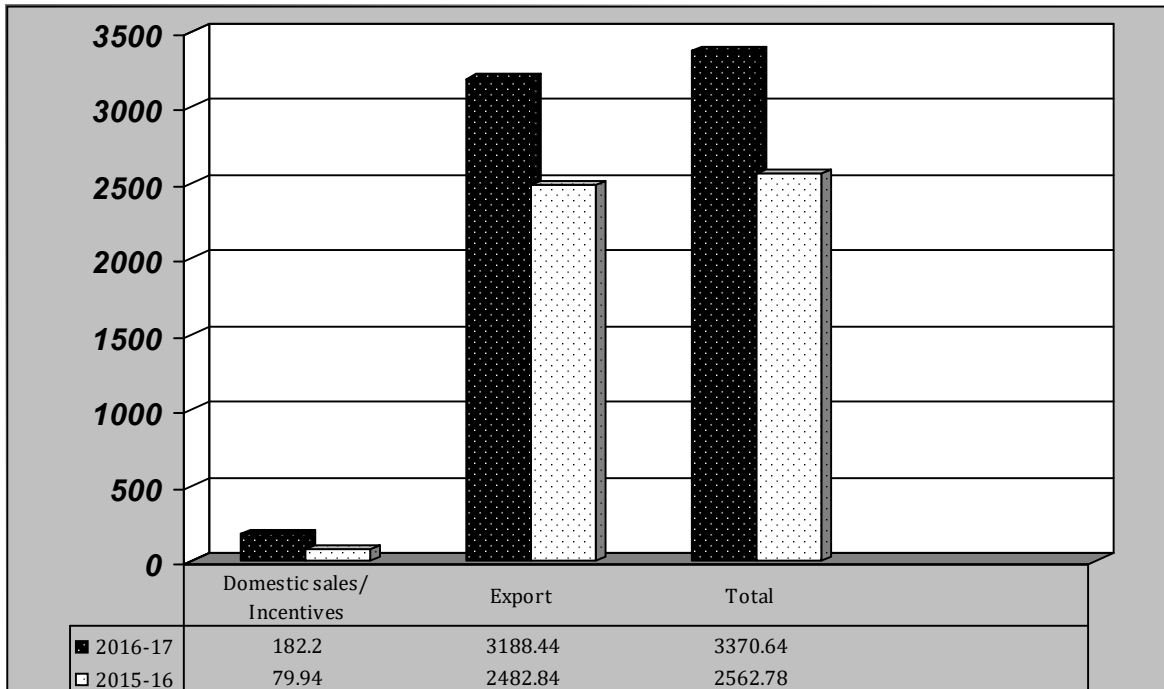
Your Company has achieved turnover of Rs. 33,70,63,617 for the financial year 2016-17 as against the previous year 2015-16 turnover of Rs. 25,62,78,016. Further, Company earned profit of Rs. 5,30,99,159/- in the F.Y. 2016-17.

**Company Performance:**

Total revenue :Rs. 36,98,73,631/-

Profit after tax :Rs. 5,30,99,159/-

**Break up (Revenue from operation) (Rs. In lacs)**



**Material Developments in Human resources/Industrial relations front, including no. of people employed:**

The Company regards its human resources as the most valuable asset and proactively reviews and evolves policies and processes to attract and retain good people. The Company continues its focus on attracting and retaining the best talent in the industry. The Company further makes continuous efforts to upgrade the knowledge and skills of its present employees. As new business challenges emerge, there is a need to continue to be a learning organization that supports operational excellence, continuous improvement and rising standards of performance at all levels.



## Independent Auditor's Report

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

We have audited accompanying financial statements of **GUJARAT AUTOMOTIVE GEARS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management' Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors, as on March 31, 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 to the financial statements;
  - ii. The company did not have any material foreseeable losses on long-Term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.

**For Kanu Doshi Associates LLP**  
Chartered Accountants  
Firm Registration Number: 104746W/W100096

**Place: Mumbai**  
**Date: May 29, 2017**

**Jyoti Kawa**  
**Partner**  
**Membership No: 105654**



## ANNEXURE A TO THE AUDITOR'S REPORT

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of GUJARATAUTOMOTIVE GEARS LIMITED for the year ended March 31, 2016

- i. (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.  
(c) On the basis of our examination and as explained to us, the title deeds of Immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loan to a Company covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').  
(a) The terms and conditions of granting of such loans are not prejudicial to the interest of the company.  
(b) The parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.  
(c) In respect of loans and guarantees, there is no overdue amount outstanding for more than ninety days.
- iv. According to information and explanation provided to us in respect of loans granted, the company has complied with the provisions of Section 185 and 186 of the companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause (v) is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-Section (1) of Section 148 of the Companies Act, for any of the products of the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise duty, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.  
(b) The disputed statutory dues aggregating Rs. 95,679/- pending before the appropriate authorities are as under:
- | Sr. No. | Name of the Statute | Nature of the dues | Forum where the dues is pending   | Amount in Rs. |
|---------|---------------------|--------------------|-----------------------------------|---------------|
| 1       | Income Tax          | Income Tax         | Hon'ble High Court (A.Y. 2001-02) | 95,679        |
|         | <b>Total</b>        |                    |                                   | <b>95,679</b> |
- viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to financial institution, bank or debenture holders as at the Balance Sheet date.
- ix. The company has not raised any moneys by way of public issue/ further offer including debt instruments. The moneys raised on Term loans have been applied for the purpose for which it was raised.
- x. The company has not conducted any frauds or any fraud by its officers/ employees has been noticed or reported during the year and therefore this clause is not applicable.
- xi. The managerial remuneration paid by the company is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company.
- xiii. The Company has complied with the provisions of section 177 and 188 of Companies Act, 2013 in respect of transactions with the related party and has disclosed the details in the Financial Statements in accordance with the accounting standards.
- xiv. The company has not made any preferential allotment / private placement of shares or has fully or partly convertible debentures during the year under review.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him during the year under review.
- xvi. According to the information and explanations given to us the company is not required to obtain registration under section 45 IA of the Reserve Bank of India Act, 1934 and therefore clause XVI is not applicable.

**For Kanu Doshi Associates LLP**

Chartered Accountants

Firm registration No: 104746W/W100096

Place: Mumbai  
Date: May 29, 2017

**Jyoti Kawa**  
Partner  
Membership No: 105654

## ANNEXURE B TO THE AUDITORS' REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Gujarat Automotive Gears Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kanu Doshi Associates LLP**

Chartered Accountants

Firm registration No: 104746W/W100096

Place: Mumbai  
Date: May 29, 2017

**Jyoti Kawa**  
Partner  
Membership No: 105654



**BALANCE SHEET AS AT 31.03.2017**

(Amount in Rs )

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	3,500,000	3,500,000
Reserves and Surplus	3	320,341,296	267,242,137
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	58,138,762	72,699,858
Deferred tax liabilities (net)	26	1,566,038	1,795,243
Long term provisions	5	972,592	286,403
<b>Current Liabilities</b>			
Short-term borrowings	6	17,812,159	30,546,462
Trade payables (Refer Note No.34)		38,595,876	35,654,954
Other current liabilities	7	21,659,509	26,205,010
Short-term provisions	8	4,845,971	2,398,116
<b>Total</b>		<b>467,432,204</b>	<b>440,328,184</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Tangible assets		51,099,127	49,474,251
Intangible assets		-	-
Capital work-in-progress		945,660	-
Long term loans and advances	10	294,899,589	275,464,583
<b>Current assets</b>			
Inventories	11	32,553,417	33,984,971
Trade receivables	12	36,751,902	39,688,721
Cash and Bank balances	13	16,279,328	16,890,770
Short-term loans and advances	14	6,612,651	798,924
Other current assets	15	28,290,531	24,025,964
<b>Total</b>		<b>467,432,204</b>	<b>440,328,184</b>
<b>Summary of Significant Accounting Policies</b>	1		

The accompanying notes are integral part of the financial statements

**For Kanu Doshi Associates LLP**  
Chartered Accountants  
FRN: 104746W/W100096

**Jyoti Kawa**  
Partner  
M.No. 105654

Place:- Mumbai  
Date :- 29.05.2017

**Shailesh Gandhi**  
Chief Financial Officer

**Chintan Doshi**  
Company Secretary

Place:- Baddi  
Date :- 29.05.2017

**On behalf of the Board**

**Rajiv Aggarwal**  
Managing Director  
DIN:00094198

**Ravikant Dhawan**  
Director  
DIN:00101878

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2017**

(Amount in Rs )

<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31st March, 2017</b>	<b>For the year ended 31st March, 2016</b>
Revenue from operations (Gross)	16	356,106,084	270,801,609
Less: Excise Duty		19,042,467	14,523,593
Revenue from operations (Net)		337,063,617	256,278,016
Other Income	17	32,810,014	29,572,008
<b>Total Revenue</b>		<b>369,873,631</b>	<b>285,850,023</b>
<b>Expenses :</b>			
Cost of materials consumed	18	177,103,020	136,540,046
Changes in inventories of finished goods and semi finished goods	19	61,746	(1,225,648)
Employee benefits expense	20	30,366,439	22,052,784
Financial costs	21	11,122,933	12,067,487
Depreciation and amortization expenses	9	3,032,262	2,877,237
Other expenses	22	68,130,161	51,822,825
<b>Total Expenses</b>		<b>289,816,561</b>	<b>224,134,731</b>
Profit before exceptional items and tax		80,057,071	61,715,292
<b>Profit before tax</b>		<b>80,057,071</b>	<b>61,715,292</b>
Tax expense:			
Current tax		27,200,000	20,700,000
Deferred tax (credit)/ expense		(229,205)	21,083
Earlier years tax adjustments		(12,884)	-
<b>Profit/(Loss) for the period</b>		<b>53,099,159</b>	<b>40,994,209</b>
Earning per equity share:	27		
Basic		30.34	23.43
Diluted		30.34	23.43
<b>Summary of Significant Accounting Policies</b>	1		

The accompanying notes are integral part of the financial statements

**For Kanu Doshi Associates LLP**

Chartered Accountants  
FRN: 104746W/W100096

**Jyoti Kawa**  
Partner  
M.No. 105654

Place:- Mumbai  
Date :- 29.05.2017

**Shailesh Gandhi**  
Chief Financial Officer

**Chintan Doshi**  
Company Secretary

Place:- Baddi  
Date :- 29.05.2017

**On behalf of the Board**

**Rajiv Aggarwal**  
Managing Director  
**DIN:00094198**

**Ravikant Dhawan**  
Director  
**DIN:00101878**



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

(Amount in Rs )

<b>Particulars</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
<b>Net Profit before Tax</b>	<b>80,057,071</b>	<b>61,715,292</b>
Adjuetment for		
Depreciation	3,032,262	2,877,237
Interest Expenses	11,122,933	12,067,487
(Profit)/loss on sale of fixed assets	-	(5,000)
Interest income	(30,203,986)	(26,700,295)
Changes in foreign exchange	-	-
<b>Operating profit before working capital changes</b>	<b>64,008,279</b>	<b>49,954,722</b>
Adjustment for		
Sundry Debtors	2,936,819	7,331,779
Loans & Advances	(15,248,733)	4,293,576
Inventories	1,431,554	5,392,266
Trade and Other Liabilities and Provisions	(1,405,219)	10,630,300
<b>Total</b>	<b>(12,285,579)</b>	<b>27,647,920</b>
<b>Cash Generated from operations</b>	<b>51,722,700</b>	<b>77,602,642</b>
Direct taxes paid	(23,239,895)	(20,088,479)
<b>Net Cash Flow from Operating Activities</b>	<b>28,482,805</b>	<b>57,514,163</b>
<b>Cash flow from Investing Activities</b>		
Purchase of fixed assets including WIP	(5,602,798)	(26,233,931)
Sale of fixed assets	-	5,000
Inter corporate Deposit given	(10,000,000)	(85,000,000)
Interest received	25,939,419	16,143,358
Decrease/(Increase) in Fixed Deposit with banks	-	-
<b>Net cash used in investing activities</b>	<b>10,336,621</b>	<b>(95,085,573)</b>
<b>Cash flow from financing activities</b>		
Increase(Decrease) in working capital facilities	(12,734,303)	23,096,642
Repayment on long term borrowings (Net)	(15,761,866)	(12,838,276)
Increase in long term loans	1,800,000	41,300,000
Proceeds/Repayment of unsecured loan	-	-
Dividend paid (Including Dividend distribution tax)	(1,499,074)	(1,483,984)
Interest paid	(11,235,626)	(11,789,697)
<b>Net cash used in financing activities</b>	<b>(39,430,869)</b>	<b>38,284,685</b>
Net (decrease)/increase in cash and cash equivalents	(611,443)	713,275
Opening Cash and cash equivalent	16,890,770	16,177,495
Closing Cash and cash equivalent	16,279,328	16,890,770
	16,279,328	16,890,770

**For Kanu Doshi Associates LLP**

Chartered Accountants  
FRN: 104746W/W100096

**On behalf of the Board**

**Shailesh Gandhi**  
Chief Financial Officer

**Rajiv Aggarwal**  
Managing Director  
**DIN:00094198**

**Jyoti Kawa**  
Partner  
M.No. 105654

**Chintan Doshi**  
Company Secretary

**Ravikant Dhawan**  
Director  
**DIN:00101878**

Place:- Mumbai  
Date :- 29.05.2017

Place:- Baddi  
Date :- 29.05.2017

**1. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017****1A Company Background**

Gujarat Automotive Gears Limited (GAGL) was incorporated with CIN L29130HP1971PLC000904 on 27th March 1971 at Baroda, India. The Company is engaged in manufacturing of Auto and Tractor components, marketed under the brand name of KAG, these components serve the aftermarket and OEM's manufactured in India and Abroad. Two decades of experience, an established network and a synergistic approach to design and execution, ensures quality products and components from concept to completion.

**1B SIGNIFICANT ACCOUNTING POLICIES****(i) Basis of Accounting**

The accounts have been prepared on the basis of Going Concern concept and under the historical cost convention. The Company adopts accrual basis in preparation of its accounts to comply in all material aspects with applicable Indian Generally Accepted Accounting principles (GAAP). GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) rules, 2014.

**(ii) Use of Estimate**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**(iii) Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation, amortisation and impairment loss, if any. In respect of Fixed assets acquired under deferred payment schemes, the cost is exclusive of Interest.

**(iv) Depreciation**

Depreciation on Tangible Fixed Assets is provided on the Straight Line Method basis as per the useful life prescribed in Schedule II of Companies Act, 2013.

**(v) Impairment**

The Carrying Value of assets is reviewed for impairment, when events or change in circumstance indicating that carrying values may not be recoverable. In addition, at each balance sheet date, the company assesses whether there is any indication that an assets may be impaired. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and Value-in-Use. In assessing Value-in-use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

**(vi) Intangible Assets & Amortisation**

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

**(vii) Borrowing Cost**

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

**(viii) Inventories**

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

Work-in-progress are valued at cost of materials plus appropriate share of labor and Overheads or Net Realizable value, Whichever is lower. Cost is determined on FIFO basis.

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

Scrap is valued at estimated net realizable value.

Stock of stores, spares, components and packing materials are valued at cost or Net Realizable Value, Whichever is



lower. Cost is determined on FIFO basis.

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

**(ix) Cash and Cash Equivalents**

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

**(x) Revenue Recognition**

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

Export benefits are accounted on accrual basis.

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

Claims receivable are accounted at the time when such income has been earned by the Company depending in certainty of receipts.

**(xi) Foreign Exchange**

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

**(xii) Employee Benefits**

Defined Contribution Plan

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

**Defined Benefit Plan**

Defined Benefit obligation plans and other long term benefits– The present value of the obligation under such plans is determined based on an actuarial valuation, using the projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the profit & loss Account. In case of gratuity, which is funded with the Life Insurance Corporation Of India, the fair value of the plan assets is reduced from the gross obligation under defined benefit plans to recognize the obligation on net basis.

**(xiii) Income Taxes**

Provision for current Tax is made on the taxable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognized for the future tax consequences attributable to timing difference between the financial statement, determination of income and their recognition for tax purposes. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in income using the tax rates and tax laws that have been enacted or Substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(xiv) Contingencies and Provisions**

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in Rs.)

2 Share Capital

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Authorised</b>		
21,25,000 Equity Shares of Rs. 2/- each (Previous Year 21,25,000 of Rs.2 each)	4,250,000	4,250,000
7,500 (P.Y. 7,500) 9.5% Cumulative Redeemable Preference shares of Rs. 100/- each	750,000	750,000
5,00,000 (P.Y. 5,00,000) unclassified shares of Rs.10/- each	5,000,000	5,000,000
	10,000,000	10,000,000
<b>Issued, Subscribed and Fully Paid up</b>		
17,50,000 (Previous Year 17,50,000 of 2/- each) Equity Shares of Rs. 2/- each fully paid-up (Previous Year 17,50,000 of 2/- each)	3,500,000	3,500,000
<b>TOTAL</b>	<b>3,500,000</b>	<b>3,500,000</b>

The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares entitled to one vote per share . The Board has not recommended any dividend for the Financial year 2016-17

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

Details of shareholders holding more than 5% shares in the Company	As at 31st March, 2017	As at 31st March, 2016
<b>In Equity Shares</b>		
<b>HIM Teknoforge Limited</b>		
No. of Shares (Equity shares of Rs 2 each)	565,285	725,803
% holding in the class	32.30%	41.47%
<b>Globe Precision Industries Pvt Ltd</b>		
No. of Shares (Equity shares of Rs 2 each)	275,000	275,000
% holding in the class	15.71%	15.71%



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**3 Reserves & Surplus**

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>General Reserve</b>		
As per Last Balance Sheet	34,495,886	30,389,235
Add : Transferred from Profit and Loss Account	-	4,106,651
<b>Closing Balance</b>	<b>34,495,886</b>	<b>34,495,886</b>
<b>Balance In Profit &amp; Loss Account</b>		
As per Last Balance Sheet	232,746,251	197,333,079
Profit for the year	53,099,159	40,994,209
Transfer to General Reserve	-	4,106,651
Proposed Dividend	-	1,225,000
Tax on Proposed Dividend	-	249,386
<b>Net Surplus in profit and Loss account</b>	<b>285,845,410</b>	<b>232,746,251</b>
<b>TOTAL</b>	<b>320,341,296</b>	<b>267,242,137</b>

**4 Long Term Borrowing**

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>SIDBI (Note 1)</b>	<b>56,480,000</b>	<b>71,840,000</b>
<b>Sundram Finance (Note 2)</b>	<b>412,042</b>	<b>859,858</b>
<b>Toyota Financial Services India Ltd (Note 3)</b>	<b>1,246,720</b>	<b>-</b>
<b>TOTAL</b>	<b>58,138,762</b>	<b>72,699,858</b>

Note 1 :- Loan from SIDBI is secured against first charge by way of mortgage all the Immovable properties ( factory land & building) of the company situated at village Kalali, Baroda & also covered by personal guarantee of Mr.Rajiv aggarwal. Interest Charged @ 12 % P.A. and repayable in 78 monthly instalment of Rs 12,80,000/- last instalment due on December 2021 of Rs. 14,40,000.

Note 2 :- Loan from Sundram Finance limited carries interest @ 11.43% p.a. The loan is repayable in 35 installments of Rs. 43300 along with interest from the date of loan last instalment due on January 2019. The loan is secured by hypothication of vehicles for which loan is taken.

Note 3 :- Loan from Toyota Financial Services India Ltd . Car interest @ 8.36% p.a. The loan is repayable in 36 installments of Rs. 56735 along with interest from the date of loan last instalment due on Mar 2020 of Rs 53518. The loan is secured by hypothication of vehicles for which loan is taken.

**5 Long Term Provisions**

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Unfunded</b>		
For Leave Encashment	972,592	286,403
<b>TOTAL</b>	<b>972,592</b>	<b>286,403</b>

**6 Short Term Borrowing**

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Secured:</b>		
Packing Credit from SBI	17,812,159	30,546,462
Secured against		
(1). Hypothication Of Stocks/BD/Bills		
(2). First Charge on the plant & machinery and Misc Fixed assets of the company		
(3) Personal guarantee of Mr. Rajiv aggarwal and Corporate guarantee of Him Teknoforge Ltd and Globe Precision Industries P Ltd		
(4) Fixed Deposit With SBI (Margin Money) of Rs. 75,00,000/-		
<b>TOTAL</b>	<b>17,812,159</b>	<b>30,546,462</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

7 Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Current maturities of long term loans (Refer note.2)	447,816	401,866
Current maturities of long term loans (Refer note.1)	15,360,000	15,360,000
Current maturities of long term loans (Refer note.3)	553,280	
Unpaid dividends	2,689,826	2,714,515
Advance from customers	1,265,897	4,492,534
Statutory dues Payable	819,237	583,024
Interest accrued but not due	523,453	636,146
Forward Contact (net)	-	2,016,926
	<b>21,659,509</b>	<b>26,205,010</b>

8 Short Term Provisions

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Provision for employee benefits-Unfunded</b>		
For Leave Encashment	56,334	159,739
For Bonus	470,965	392,540
<b>Others</b>		
For Proposed Dividend	-	1,225,000
For Current Tax (net)	4,318,672	371,451
For Tax on Proposed Dividend	-	249,386
	<b>4,845,971</b>	<b>2,398,116</b>

9 FIXED ASSETS

(Amount in Rs.)

PARTICULARS	Gross Block				Depreciation & Amortisation				Net Block	
	As at 01.04.2016	Addition during the year	Deduction during the year	As at 31.03.2017	Upto 31.03.2016	Adj.on A/c of Sales of Assets	Provided for the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
<b>LAND &amp; BUILDING</b>										
Land	24,721,095	0	0	52,001	0	0	0	0	52,001	52,001,095
Land -Gametha	24,669,064	0	0	24,669,094	0	0	0	0	24,669,094	24,669,094
Factory Building	4,523,604	0	0	4,523,604	1,335,951	0	121,058	1,457,009	3,066,595	3,187,653
Other Civil Construction	992,737	0	0	992,737	355,522	0	13,285	368,807	623,930	637,215
Road and Service	63,308	0	0	63,308	63,307	0	0	63,308	0	0
Tube Well	26,316	0	0	26,316	26,316	0	0	26,316	0	0
<b>FURNITURE &amp; FIXTURE</b>										
Furniture, Fixture, Fittings	249,594	0	0	249,594	247,780	0	1,814	249,594	0	1,814
<b>PLANT &amp; MACHINERY</b>										
Plant and machinery	46,877,086	16,128	0	46,893,214	32,139,798	0	1,579,933	33,719,731	13,173,483	14,737,288
Plant and machinery-gametha	0	2,198,375	0	2,198,375	0	0	0	0	2,198,375	0
Laboratory Equipment	0	0	0	0	0	0	0	0	0	0
Electrical installation	1,634,059	0	0	1,634,059	955,071	0	60,815	1,015,886	618,173	678,988
Air conditioner & water cooler	722,436	85,250	0	807,686	699,192	0	18,299	717,491	90,195	23,244
Factory Equipment	68,493	0	0	68,493	68,493	0	0	68,493	0	0
Office Equipment	518,218	0	0	518,218	301,756	0	126,657	428,413	89,805	216,462
Vehicle	6,652,452	2,241,815	0	8,894,267	5,043,249	0	606,985	5,650,234	3,244,033	1,609,203
Tempo	2,529,383	0	0	2,529,383	775,267	0	306,093	1,081,360	1,448,023	1,754,116
Computer	886,619	115,570	0	1,002,189	832,742	0	39,024	871,766	130,423	53,877
Meserment Instrument	4,050,622	0	0	4,050,622	2,197,324	0	158,299	2,355,623	1,694,999	1,853,298
D.G.Generator	903,752	0	0	903,752	903,752	0	0	903,752	0	0
<b>INTANGIBLE ASSETS</b>										
Computer Software	140,400	0	0	140,400	140,400	0	0	140,400	0	0
<b>TOTAL</b>	<b>95,560,174</b>	<b>4,657,138</b>	<b>0</b>	<b>100,217,312</b>	<b>46,085,923</b>	<b>0</b>	<b>3,032,262</b>	<b>49,118,185</b>	<b>51,099,127</b>	<b>49,474,251</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>69,411,411</b>	<b>26,233,931</b>	<b>85,168</b>	<b>95,560,174</b>	<b>43,293,854</b>	<b>85,168</b>	<b>2,877,237</b>	<b>46,085,923</b>	<b>49,474,251</b>	<b>26,117,557</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**10 Long Term Loans And Advances**

(Amount in Rs.)

<b>Particulars</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>Unsecured considered good</b>		
Security Deposits	827,332	631,705
Inter Corporate Deposit	265,000,000	255,000,000
Refund receivable from Government authority	29,072,257	19,832,878
Advance income tax ( net of provision)	-	-
	<b>294,899,589</b>	<b>275,464,583</b>

**11 Inventories [Refer Note No. 1H]**

(Amount in Rs.)

<b>Particulars</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
Raw Material	2,001,776	1,887,992
Work - In - Process	15,886,477	17,551,630
Finished Goods	3,182,452	2,596,614
Goods in Transit	7,305,101	6,229,336
Raw Material Components	2,164,364	4,797,174
Stores and Spares parts and packing Material	1,934,640	785,422
Scrap	78,607	136,803
	<b>32,553,417</b>	<b>33,984,971</b>

**12 Trade Receivables**

(Amount in Rs.)

<b>Particulars</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>Unsecured, considered good</b>	-	-
Debts outstanding for a period exceeding six Months from the date they are due for payment		
Other debts - (less than six months)	36,751,902	39,688,721
	<b>36,751,902</b>	<b>39,688,721</b>

**13 Cash and Bank Balances**

(Amount in Rs.)

<b>Particulars</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks :		
Current Accounts	6,082,255	6,641,317
Cash on hand	7,246	18,718
Cash In Foreign Curnecy	-	16,221
Other Bank Balances		
Dividend Accounts	2,689,826	2,714,515
Term Deposits	7,500,000	7,500,000
Margin Money with SBI ageinst packigv credit (refer note No. 6)		
	<b>16,279,328</b>	<b>16,890,770</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**14 Short Term Loans and Advances**

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Unsecured considered good</b>		
Trade Advance	6,179,662	457,479
Advances recoverable in cash or in kind	432,989	341,445
<b>TOTAL</b>	<b>6,612,651</b>	<b>798,924</b>

**15 Other Current Assets**

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest Accrued but not due	28,290,531	24,025,964
Forward Contract (net)	-	-
<b>TOTAL</b>	<b>28,290,531</b>	<b>24,025,964</b>

**16 Revenue from operations**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of Products	342,003,424	265,167,254
Processing Charges	416,480	407,553
<b>Other operating revenues</b>		
Scrap Sales	775,085	1,251,291
Export Incentives	12,911,095	3,975,511
<b>Revenue from operations (Gross)</b>	<b>356,106,084</b>	<b>270,801,609</b>
Less : Excise Duty	19,042,467	14,523,593
<b>Revenue from operations (Net)</b>	<b>337,063,617</b>	<b>256,278,016</b>

**17 Other Income**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Interest Income</b>		
- ICD	29,337,534	25,289,865
- Fixed Deposit	788,892	1,332,345
- Others	77,560	78,085
Other Miscellaneous Income	-	28,834
Foreign exchange Fluctuation	2,606,028	2,837,879
Profit/(Loss) on sale/discard of fixed assets	-	5,000
<b>TOTAL</b>	<b>32,810,014</b>	<b>29,572,008</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**18 Cost of raw materials and components consumed**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b><u>Raw Material-Steel &amp; others</u></b>		
Opening stock	1,887,992	1,321,491
Add: purchases during the year	69,900,354	67,977,130
less: closing stock	(2,001,776)	(1,887,992)
	<b>69,786,570</b>	<b>67,410,629</b>
<b>Raw Material Component</b>		
Opening stock	4,797,174	11,340,397
Add: purchases during the year	104,683,640	62,586,194
less: closing stock	(2,164,364)	(4,797,174)
	<b>107,316,450</b>	<b>69,129,417</b>
<b>TOTAL</b>	<b>177,103,020</b>	<b>136,540,046</b>

**19 Increase Decrease in Inventories of Finished Goods and Semi finished goods**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Opening Stock</b>		
Finished Goods	2,596,614	2,511,669
Goods In Transit	6,229,336	10,295,554
Semi Finished Goods (WIP)	17,551,630	11,881,270
Scrap	136,803	600,242
<b>Total</b>	<b>26,514,383</b>	<b>25,288,735</b>
<b>Closing Stock</b>		
Finished Goods	3,182,452	2,596,614
Goods In Transit	7,305,101	6,229,336
Semi Finished Goods (WIP)	15,886,477	17,551,630
Scrap	78,607	136,803
<b>TOTAL</b>	<b>26,452,637</b>	<b>26,514,383</b>
<b>Increase/(Decrease)</b>	<b>(61,746)</b>	<b>1,225,648</b>

**20 Employee benefits expense**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries and Wages (Including Bonus and Gratuity, leave encashment)	29,806,364	21,589,424
Contribution to Provident and other Funds	533,132	441,846
Workmen and Staff Welfare Expenses	26,942	21,514
<b>TOTAL</b>	<b>30,366,439</b>	<b>22,052,784</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**21 Finance Costs**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest -Term loan (SIDBI)	9,513,363	10,630,263
Interest to banks (EPC & PCFC)	1,350,547	1,373,017
Interest -Others	259,023	64,207
<b>TOTAL</b>	<b>11,122,933</b>	<b>12,067,487</b>

**22 Other expenses**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Power & Fuel	5,383,970	4,522,399
Freight Inward and Octroi	1,832,168	1,587,825
Consumption of Stores and Spares	4,013,330	5,328,221
Processing Charges	12,626,889	10,922,118
Excise Duty on finished goods (net)	58,627	(42,055)
Laboratory Charges	13,180	42,441
Insurance	1,537,641	1,441,825
Repairs and Maintenance		
Buildings	10,700	3,300
Plant and Machinery	3,308,383	495,428
Others	237,556	101,857
Payment of Government Duties	1,664,795	1,459,279
Rates and Taxes	608,754	343,876
Director Sitting Fees	42,000	33,000
Travelling and conveyance	3,223,435	2,341,001
Advertisement and Sales Promotion	1,604,985	140,334
Postage, telephone and Communication expenses	255,632	302,759
Printing and Stationery	284,691	271,245
Packing Materials	14,286,900	10,332,029
Freight Outward	5,028,027	4,213,718
Commission and Discount	2,475,817	891,490
Vehicle Running and maintenance	2,651,315	1,849,819
Legal and Professional fees	3,394,177	2,113,294
Fees & Subscription	546,335	448,804
CSR Expenses	1,393,954	692,325
Bank Charges	1,514,826	1,763,389
Office Exp	132,074	82,046
Bad Debts Written Off	-	141,059
<b>TOTAL</b>	<b>68,130,161</b>	<b>51,822,825</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**23 Contingent liability and Commitments**

(Amount in Rs.)

<b>Contingent liability not provided for:</b>	<b>31.3.2017</b>	<b>31.3.2016</b>
Bank Guarantee	118,000	
Disputed Income tax Liabilities (AY 2001-02) (pending before Hon'ble Gujarat High Court)	95,679	95,679
	-	

**24** In the opinion of the Board, the current Assets, Loans and Advances have a value on realization in the ordinary course of the business at least equal to the amount of which they are stated.

**25 Disclosure on demonetization transactions**

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

<b>Particulars</b>	<b>SBNs*</b>	<b>Other denomination notes</b>	<b>Total</b>
Closing cash in hand as on 08.11.2016	40,000	17,991	57,991
(+) Permitted receipts	-	550,000	550,000
(-) Permitted payments	-	288,510	288,510
(-) Amount deposited in Banks	40,000	-	40,000
Closing cash in hand as on 30.12.2016	-	279,481	279,481

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**25. A Segment Reporting**

The management information system of the company identifies & monitors Auto Parts As the primary business Segment. In the opinion of the management, the company is primarily engaged in the business of automotive parts, as the basic nature of these activities are governed by the same set of risk and returns; these constitute and have been grouped as single segment as per AS 17 dealing with segment reporting. Secondary segment reporting is on the basis of geographical location of the customers, which is given as under.

**Geographical segment- Revenue**

(Amount in Rs.)

<b>Geographic Location</b>	<b>31.3.2017</b>	<b>31.3.2016</b>
USA	7,427,912	14,630,613
Europe	298,368,251	217,778,927
Gulf Countries	6,637,829	11,132,960
Others & (Domestic)	10,526,965	7,101,160
<b>Total</b>	<b>322,960,957</b>	<b>250,643,660</b>

All assets of the company except trade receivable of Rs.35,583,431/- (P.Y. Rs.35,813,990/-) are within India.

**26** The break up of deferred tax assets and liabilities is as under:

(Amount in Rs.)

<b>Deferred Tax:</b>	<b>As on 1.4.2016</b>	<b>Current Year</b>	<b>As on 31.3.2017</b>
Deferred Tax Assets on Account of			
(i) Employee Benefit	147,495	192,668	340,163
<b>Total</b>	<b>147,495</b>	<b>192,668</b>	<b>340,163</b>
Deferred Tax Liability on Account of			
(i) Depreciation	1,942,736	(36,537)	1,906,199
<b>Total</b>	<b>1,942,736</b>	<b>(36,537)</b>	<b>1,906,199</b>
<b>Net Deferred Tax Assets/(Liability)</b>	<b>(1,795,242)</b>	<b>229,205</b>	<b>(1,566,037)</b>

**27 Earning per Share**

(Amount in Rs.)

<b>Particulars</b>	<b>31.3.2017</b>	<b>31.3.2016</b>
Profit after tax	53,099,159	40,994,209
No. of shares	1,750,000	1,750,000
Nominal value per share in rupees	2	2
<b>Basic and diluted earning per share</b>	<b>30.34</b>	<b>23.43</b>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

28 Related Party Disclosures

(Amount in Rs.)

- i) a) **Key Managerial Personnel**  
 Rajiv Aggarwal - Managing Director  
 Shailesh Gandhi - CFO  
 Chintan Doshi - Company Secretary
- b) **All entities where key managerial personnel or their relative have significant influence**  
 HIM Teknoforge Limited

ii) <b>Key Management Personnel</b>	<b>31.3.2017</b>	<b>31.3.2016</b>
Payment of Managerial Remuneration Mr. Rajiv Aggarwal , Managing Director Salary	4,221,600	3,000,000
Shailesh Gandhi	445,868	408,345
Chintan Doshi	284,580	264,830
<b>Enterprise in which key managerial personnel or their relative has significant influence</b> HIM Teknoforge Limited		
Purchase of material	19,666,923	8,845,694
Sales of Material	-	-
Process Charges	-	34800
Fixed Assests Purchase	160,000	
Inter Corporate Deposit Given	10,000,000	85,000,000
Interest Income	29,337,534	25,289,865
<b>Balance Outstanding</b>		
Mr.Rajiv Aggarwal - Remuneration Payable	351,800	250,000
Shailesh Gandhi - Salary Payable	31,000	28,000
Chintan Doshi - Salary Payable	23,500	21,000
HIM Tecknoforge Limited		
ICD Receivable	265,000,000	255,000,000
Interest Receivable	26,403,781	22,760,878
Payable against Purchases	160,000	-

29 Managerial Remuneration

(Amount in Rs.)

Particulars	<b>31.3.2017</b>	<b>31.3.2016</b>
Salary	4,221,600	3,000,000
Contribution to Provident and other funds	21,600	21,600
Perquisites	-	-
<b>Total</b>	<b>2,416,500</b>	<b>1,356,925</b>

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

30 Auditors' Remuneration

(Amount in Rs.)

Particulars	<b>31.3.2017</b>	<b>31.3.2016</b>
Audit Fees	200,000	200,000
Tax Audit fees	50,000	50,000
Other Matters	302,500	75,000
Reimbursement of expenses	133,777	60,009



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

31 Employee Benefits

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

PARTICULARS	Gratuity Funded	
	31.3.2017	31.3.2016
<b>I Expenses recognized in the statement of profit &amp; Loss for the year ended</b>		
1 Current Service Cost	71,980	56,174
2 Interest Cost	87,556	81,041
3 Employee Contribution	-	-
4 Expected Return on Plan Assets	106,267	(98,550)
5 Net Actuarial ( Gain/ Losses )	253,575	(55,777)
6 Past Service Cost	-	-
7 Settlement Cost	(26,625)	-
8 Total Expenses	492,753	(17,112)
<b>II Net Asset/ Liability recognized in the Balance Sheet As at</b>		
1 Present Value of Defined Benefit Obligation	1,480,936	1,094,450
2 Fair Value of Plan Assets	1,626,888	1,270,858
3 Funded status [ Surplus / (Deficit)]	145,952	176,408
4 Net Assets/(liability)	145,952	176,408
<b>III Change in Obligation During the year Ended</b>		
1 Present Value of Defined Benefit Obligation at beginning of the year	1,094,450	1,013,012
2 Current Service cost	71,980	56,174
3 Interest Cost	87,556	81,041
4 Settlement Cost	-	-
5 Past Service Cost	-	-
6 Employee contribution	-	-
7 Actuarial (Gain) / Losses	253,575	(55,777)
8 Benefits Payments	(26,625)	-
9 Present Value of Defined Benefit obligation at the end of the year	1,480,936	1,094,450
<b>IV Change in Assets During the year ended</b>		
1 Plan Assets at the Beginning of the year	1,270,858	1,172,308
2 Assets acquired on amalgamation in previous year	-	-
3 Settlements	-	-
4 Expected return on plan assets	106,267	98,550
5 Contribution By Employer	276,388	-
6 Actual Benefits Paid	(26,625)	-
7 Actuarial (Gain)/Losses	-	-
8 Plan Assets at the end of the year	1,626,888	1,270,858
9 Actual return on plan assets	-	-
<b>V The major categories of plan Assets as a percentage of total plan</b>		
Qualifying Insurance Policy	100%	100%
<b>VI Actuarial Assumption</b>		
Discount Rates	8%	8%
Salary Escalation	7%	7%

b) Provision towards Liabilities For Leave Encasement made on the Basis of Actuarial Valuation as per Accounting Standard 15(Revised). Actuarial Value of Liabilities at the year end is Rs 1028926/- (P.Y. 446142) based upon following assumption. Expenses provided in the profit and loss account is Rs. 903473/- (P.Y. Rs.333142/-)

PARICULARS	31.3.2017	31.3.2016
Discount Rates	8%	8%
Salary Escalation	7%	7%

32 "In terms of Section 22 of Micro, Small and Medium Enterprises Development Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In the absence of the information about registration of the Enterprises under the above Act, the required information could not be furnished. In view of above and in absence of relevant information's, the Auditor has relied upon the same.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

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

Particulars	31.3.2017	31.3.2016
Export Debtors (Net of Advances)	35,583,431	-

(B) The details of forward contracts outstanding at the year end are as follows :-

Currency	Number of Contracts	Buy Amount	Purpose
-	-	-	-

34

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

Particulars	31.03.2017		31.03.2016	
	Value	%	Value	%
<b>Raw Material</b>				
Imported	-	0.00%	-	0.00%
Indigenous	69,786,570	100.00%	67,410,629	100.00%
<b>Total</b>	69,786,570	100.00%	67,410,629	100.00%
<b>Stores/Components</b>				
Imported	14,472,265	13.00%	9,424,394	12.66%
Indigenous	96,857,515	87.00%	65,033,244	87.34%
<b>Total</b>	111,329,780	100.00%	74,457,638	100.00%

B Details of Foreign exchange earned and spent during the year

i) F.O.B. Value of Export Rs. 31,88,43,937/-(Previous Year: Rs. 24,82,84,196/-)

ii) Foreign Exchange spent on expenses equivalent in Indian currency: Foreign Travelling Rs. 9,79,686/- (Previous Year: 6,50,999/-), commision Rs. 2,97,059/- (Previous Year: 2,44,835), Imported Components Rs. 14,472,265/- (Previous Year: 9,424,394), Bank Charges Rs. 4,90,786/- (Previous Year: 4,11,829).

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

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

The accompanying notes are integral part of the financial statements

**For Kanu Doshi Associates LLP**

Chartered Accountants  
FRN: 104746W/W100096

**Jyoti Kawa**  
Partner  
M.No. 105654

Place:- Mumbai  
Date :- 29.05.2017

**Shailesh Gandhi**  
Chief Financial Officer

**Chintan Doshi**  
Company Secretary

Place:- Baddi  
Date :- 29.05.2017

**On behalf of the Board**

**Rajiv Aggarwal**  
Managing Director  
DIN:00094198

**Ravikant Dhawan**  
Director  
DIN:00101878



NOTES



## GUJARAT AUTOMOTIVE GEARS LIMITED

CIN: L29130HP1971PLC000904

### ATTENDANCE CARD

I/We

Folio No.	
D.P. I.D.	
Client I.D.	

hereby record my/our presence at the **FOURTY SIXTH ANNUAL GENERAL MEETING** of the Company held at registered office of the Company at **Village Billanwali, Baddi - 173205, Dist. Solan (HP) on Saturday, 30<sup>th</sup> December 2017 at 11:30 AM.**



## GUJARAT AUTOMOTIVE GEARS LIMITED

CIN: L29130HP1971PLC000904

REGISTERED OFFICE: Village Billanwali, Baddi - 173205, District. Solan (Himachal Pradesh)

E-mail ID: gujarat.gears@gmail.com, Website: www.gagl.net

FOURTY SIXTH ANNUAL GENERAL MEETING

**PROXY FORM**

Saturday, 30<sup>th</sup> December 2017 at 11:30 AM.

I/We, being the member(s), holding \_\_\_\_\_ shares of the above named Company, hereby appoint:

- (1) Name \_\_\_\_\_ Address \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her
- (2) Name \_\_\_\_\_ Address \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her
- (3) Name \_\_\_\_\_ Address \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Forty sixth Annual General Meeting of the Company, to be held on **Saturday, 30<sup>th</sup> December, 2017 at 11:30 a.m.** at registered office of the company at Village Billanwali, Baddi - 173205, District. Solan (Himachal Pradesh) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the Financial Statement for the year ended on 31 <sup>st</sup> March, 2017.		
2	To appoint a director in place of Mrs. Anju Aggarwal (DIN 00094267), who retires by rotation and is being eligible for re-appointment.		
3.	To appoint M/s PRA Associates, Chartered Accountants as Joint Auditors of the Company.		
4.	To appoint M/s M L Bhuwania and Co LLP, Chartered Accountants as Joint Auditors of the Company.		
<b>Special business</b>			
5.	To consider and fix the remuneration of Mr. Rajiv Aggarwal, Managing Director of the Company, for the period from 1 <sup>st</sup> April, 2017 to 11 <sup>th</sup> September, 2018		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Member's Folio/ DP ID- Client ID No. \_\_\_\_\_

Signature of shareholder(s) \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
Re. 1/-

- Note:
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the company, not less than 48 hours before the commencement of the Meeting.
  2. For the resolutions, explanatory statement and notes please refer to the notice of 46th Annual General Meeting.
  3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
  4. Please complete all details including details of member(s) in above box before submission.



## Route Map to the AGM Venue

