

GUJARAT AUTOMOTIVE GEARS LTD.

**45th
Annual Report
2015-16**



GUJARAT AUTOMOTIVE GEARS LIMITED

CIN: L29130HP1971PLC000904

FOURTY FIFTH ANNUAL REPORT 2015-2016

BOARD OF DIRECTORS:

Mr Rajiv Aggarwal	-	Chairman & Managing Director
Mr Ravikant Dhawan	-	Non Executive Independent Director
Mr Rajendra Prasad Sinha	-	Non Executive Independent Director
Mr Ankit Jain	-	Non Executive Independent Director
Mrs. Anju Aggarwal	-	Additional Non-Executive Director.

CHIEF FINANCIAL OFFICER:

Mr. Shilesh 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
SME. Industrial Estate, Chandigarh
M W Market, IND area phase I,
Chandigarh, Haryana - 160002

REGISTRAR AND TRANSFER AGENT

MCS Shares Transfer Agent Limied
10, Aram Apartment, Sampatrao Colony,
B/h Laxmi Hall,
Alkapuri, Vadodara - 390007.
Tel No.: 0265-2314757
Email id : mcsltdbaroda@gmail.com



NOTICE

CIN: L29130HP1971PLC000904

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

NOTICE is hereby given that the 45th Annual General Meeting of the members of GUJARAT AUTOMOTIVE GEARS LIMITED will be held at 11:30 a.m. on Friday, the 30th September, 2016 at the Registered Office of the Company situated at Vill. Billanwali, Baddi - 173205, District. Solan (HP) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2016, the statement of Profit & Loss Account and cash flow statement of the Company for the year ended on that day together with the Directors' and Auditors' Reports thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Rajiv Aggarwal (DIN 00094198), who retires by rotation and being eligible offers himself for re-appointment.
4. To reappoint the Auditors of the Company and fix their remuneration.

To consider and if though 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 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. KANU DOSHI ASSOCIATES LLP, Chartered Accountants, Mumbai (Membership No. 104746W), the retiring Statutory Auditors of the Company, who hold office up to the date of this Annual General Meeting and have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration plus reimbursement of out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

SPECIAL BUSINESS :

5. To appoint Mrs. Anju Aggarwal as a Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Anju Aggarwal (DIN:00094267), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer herself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mrs. Anju Aggarwal for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation, with effect from the date of this Meeting."

By Order of the Board of Directors

Dated : 11.08.2016
Place : Vadodara

Rajiv Aggarwal
Chairman & 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 Friday, 23rd September, 2016 to Friday, 30th September, 2016 [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 exclusive 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) In terms of Section 152 of the Companies Act, 2013, Mr. Rajiv Aggarwal (DIN 00094198), Director, retire by rotation at the meeting and being eligible, offer himself for re-appointment.
- 11) 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.
- 12) The Board of Directors of the Company has appointed Mr. Sanjeev Grover, 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.
- 13) 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 September, 2016.
- 14) A person, whose name is recorded in the register of members by the depositories as on the cut-off date, i.e. 23rd September, 2016 only shall be entitled to avail the facility of e-voting / Poll.
- 15) The e-voting facility will be available during the following period: Commencement of e-voting: From 9.00 a.m. (IST) on 27th September, 2016
End of e-voting: Up to 5.00 p.m. (IST) on 29th September, 2016
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.
- 16) 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.
- 17) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting.
- 18) Explanatory statement setting out all material facts concerning the special business u/s 102 of the Companies Act, 2013 is annexed hereto:

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

Item No.5

Mrs. Anju Aggarwal has been appointed as an Additional Director as on 28.12.2015. She is M.A.(English) and is Director of Him Chemicals and Fertilizers Pvt Ltd since 01.04.2002.

In terms of section 161(1) of the Companies Act, 2013 Mrs. Anju Aggarwal holds office as an Additional Director only upto the date of this Annual General Meeting.

Your Company has received a notice along with a deposit of Rs. 1 lac under section 160 of the Companies Act,2013 from a member of the Company proposing to appoint Mrs. Anju Aggarwal as Director of the Company at this Annual General Meeting.

The Company has received from Mrs. Anju Aggarwal (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014; and (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rule, 2014, to the effect that she is not disqualified under sub section (2) of section 164 of the Companies Act, 2013.



ANNEXUR TO ITEM NO. 3 & 5

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

Name of the Director	Mr. Rajiv Aggarwal	Mrs. Anju Aggarwal
Date of Birth	23rd August, 1958	5th January, 1955
Nationality	Indian	Indian
Date of Appointment on Board	11th September, 2013	28th December, 2015
Qualifications	Chartered Accountant and Company Secretary	M.A. (English)
Nature and Expertise in specific functional areas	Corporate Finance, Legal, Corporate Communication, Operations, Marketing, Corporate Strategy Development, General Management.	General Management
Number of shares held in Company	8740	7821
List of Directorship and Committee membership in Listed Companies (other than Gujarat Automotive Gears Limited)	Nil	Nil
Relationship between directors inter-se	Nil	Nil

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27th September, 2016 at 9:00 A.M. and ends on 29th September, 2016 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 September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number print in address slip.
Dividend Bank Details OR Date of Birth (DOB)	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. 23rd September, 2016.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN i.e. 160822064 for the relevant Company Name, i.e. Gujarat Automotive Gears Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) 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 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.
 - 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 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.
- (xx) In case you have any queries or issues regarding e-voting, you may contact to Mr. Mehboob Lakhani, Assistant Manger, CDSL, 17th floor, P J Towers, Dalal Street, Fort, Mumbai-400 001, E-mail:helpdesk.evoting@cdslindia.com, Tel.: 18002005533.

By Order of the Board of Directors

Dated : 11.08.2016
Place : Vadodara

Rajiv Aggarwal
Chairman & Managing Director



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 45th Annual Report of the Company together with the audited accounts for the Financial Year ended March 31, 2016.

1. Financial summary or highlights/Performance of the Company

FINANCIAL RESULTS:

(Rupees in lacs)

Particular	2015-2016 Rs.	2014-2015 Rs.
Operating Profit	645.92	742.81
Less : Depreciation	28.77	39.02
Total Profit for the year after depreciation but before tax	617.15	703.79
Less : Provision for taxation	207.00	231.98
Less : Provision for deferred tax assets / liabilities	0.21	-3.34
Profit after tax	409.94	475.15
Balance of profit brought forward from previous year	1973.33	1564.74
Profit available for appropriation	2383.27	2039.89
Less : Proposed dividend	12.25	12.25
Less : Tax on proposed dividend	2.49	2.51
Less : Transferred to general reserve	41.07	47.55
Less : Depreciation charged to Reserve & Surplus (P&L A/c)	--	4.25
Net profit carried forward to balance sheet	2327.46	1973.33

2. Dividend

The Directors are pleased to recommend for the approval of the shareholders a dividend at the rate of 35% per share (i.e. Rs 0.70 per share) each on the paid-up equity share capital of the Company with respect to the financial year 2015-2016 maintaining the same rate as that of F.Y. 2014-15.

3. Reserves

The Company proposes to carry Rs.41.07 lakhs to general reserve from net profit of the Company.

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

Total turnover during the year is Rs.2562.78 Lac (Previous Year Rs. 3049.51 Lac) showing decrease of 15.96% over the previous year and a profit after depreciation and interest of Rs. 617.15 Lac (Previous Year Profit of Rs. 703.79 Lac). Exports during the year were Rs. 2482.84 Lac as against Rs. 2925.01 Lac during the previous year. During the current year export sales are 96.88% of total turnover.

As in the past, during the coming years more focus will be on exports with regular visits to customers and tapping new customers at trade fairs and exhibitions.

5. Change in the nature of business, if any

There is no change in the nature of business during the financial year 2015-16.

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

In the knowledge of Board no significant and material orders have been passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future during the financial year and or subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

8. 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 internal financial controls.

9. Details of Subsidiary/Joint Ventures/Associate Companies

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

10. 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.

11. 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.

12. Statutory Auditors

M/s. Kanu Doshi Associates LLP, Chartered Accountants, bearing FRN: 104746W, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

The Company has obtained a letter of consent and also a certificate under section 139 and 141 of the Companies Act, 2013 from the Auditors to the effect that, their appointment, if made would be within the limits prescribed in the said section.

13. Auditors' Report

No qualification, reservation or adverse remark or disclaimer has been made by the Auditors in their Auditors' Report for the year 2015-16. The directors confirm that no frauds were reported by auditor under subsection (12) of section 143.

14. Share Capital

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

15. 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).

16. 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).

17. Corporate Social Responsibility (CSR)

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

18. Directors

A) Changes in Directors and Key Managerial Personnel

The following changes in Directors and Key Managerial Personnel were made during the financial year 2015-16:

Sr. No.	Name of Director/ Key Managerial Personnel	Designation	Category	Date of Appointment	Date of Cessation
1	Anju Aggarwal [DIN: 00094267]	Additional Director [Non Executive Director]	Promoter Group	31.03.2015	30.05.2015
2	Diya Aggarwal [DIN: 07158255]	Additional Director [Non Executive Director]	Promoter Group	13.08.2015	29.09.2015
3	Ankit Jain* [DIN: 02918898]	Non Executive Director	Independent	29.09.2015	--
4	Rajendra Prasad Sinha* [DIN: 02129566]	Non Executive Director	Independent	29.09.2015	--
5	Ravikant Dhawan* [DIN: 00101878]	Non Executive Director	Independent	29.09.2015	--
6	Anju Aggarwal [DIN: 00094267]	Additional Director [Non Executive Director]	Promoter Group	28.12.2015	--

* Already appointed as an Independent Director in the 43rd Annual General Meeting for the term up to the next Annual General Meeting i.e. 44th Annual General Meeting. And at 44th Annual General Meeting held on 29.09.2015 has been appointed as an Independent Director for the term of five years by passing special resolution.



B) Declaration by an Independent Director(s):

Declarations by Mr. Ankit Jain, Mr. Rajendra Prasad Sinha 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. Ankit Jain, Mr. Rajendra Prasad Sinha 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.

19. Number of meetings of the Board of Directors

Name of the Director	Category of the Director	Date of Board Meeting and attendance			
		30.05.2015	13.08.2015	05.11.2015	10.02.2016
Rajiv Aggarwal	Chairman & Managing Director	✓	✓	✓	✓
Ankit Jain	[Non Executive] Independent Director	✓	✓	–	✓
Ravikant Dhawan	[Non Executive] Independent Director	✓	✓	✓	✓

Rajendra Prasad Sinha	[Non Executive] Independent Director	✓	✓	✓	–
Anju Aggarwal	Additional Non Executive Director	–	–	–	✓
Diya Aggarwal [13.08.2015 to 29.09.2015]	Additional Non Executive Director	–	–	–	–

20. Audit Committee

Audit Committee comprising of the following Directors of the Board:

Name	Category	Status	No. of Meeting Attended.
Mr. Ankit Jain	[Non Executive] Independent Director	Chairman	4/5
Mr. Rajiv Aggarwal	Managing Director	Member	5/5
Mr. Ravikant Dhawan	[Non Executive] Independent Director	Member	5/5

During the year from 01st April, 2015 to 31st March, 2016 the Audit Committee met five times on 30.05.2015, 13.08.2015, 05.11.2015, 10.02.2016, and 29.03.2016.

21. Nomination and Remuneration Committee

Nomination and Remuneration Committee comprising of the following Directors of the Board:

Name	Category	Status	No. of Meeting Attended.
Mr. Ankit Jain	[Non Executive] Independent Director	Chairman	3/3
Mr. Rajendra Prasad Sinha	[Non Executive] Independent Director	Member	2/3
Mr. Ravikant Dhawan	[Non Executive] Independent Director	Member	3/3

The Committee met on 30.05.2015, 13.08.2015 and 10.02.2016 during the year 01st April, 2015 to 31st March, 2016.

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.

22. Stakeholders Relationship Committee

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

Name	Category	Status	No. of Meeting Attended.
Mr. Ravikan Dhawan	[Non Executive] Independent Director	Chairman	1/1
Mr. Rajiv Aggarwal	Managing Director	Member	1/1
Mr. Ankit Jain	[Non Executive] Independent Director	Member	1/1

The Committee met once on 10.02.2016 during the year 01st April, 2015 to 31st March, 2016.

23. Details of establishment of whistle blower policy for directors and employees.

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.

24. 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 2015-2016:



Gujarat Automotive Gears Limited

Sr. no.	Particulars of Loan, Guarantee or investment	Amount In Rs.	Approved at Board meeting dated	1. % of Paid up Capital + Free reserves + Securities premium account or 2. % of Free reserves + Securities premium account	Whether approval of Members vide SR taken	Other Details
1.	Loan given to Him Teknoforge Limited.	Till the year end i.e. as on 31.03.2016 loan amount is Rs. 25.50 Crores. As on 31.03.2015 loan amount is Rs. 17 Crores.	Approval of loan amount exceeding Rs. 18 crore @ 12% p.a. for sum not exceeding Rs. 30 Crore by Board resolution dated 13.03.2015 Approval of loan amount up to Rs. 18 crore @ 11% p.a. by Board resolution dated 14.05.2014	1. 94.20% of Paid up Capital + Free reserve + Securities Premium Account. 2. 95.43% of Free reserves + Securities Premium Account.	Members approved loan amount upto Rs. 50 crore by Special Resolution dated 11.02.2015 through postal ballot.	During the year Company earned interest of Rs. 2,52,89,865 on given loan.

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 2015-16.

25. 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).

26. 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).

27. 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.

28. Corporate Governance Report (Clause 49)

The paid up share capital of the Company is below Rs. 10 crore and Net worth is below Rs. 25 Crore as per the audited Balance Sheet as at 31st March 2015, and therefore, the compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D, and E of schedule V of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as notified by Securities and Exchange Board of India vide notification No. SEBI/LAD-NRO/GN/2015-16/013 dated 2nd September, 2015 is not applicable to our Company during the financial year 2015-16.

29. Risk management policy

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.

30. Directors' Responsibility Statement

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

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- (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 and
- (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.

31. 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.

32. 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 : 11.08.2016
Place : Vadodara

Rajiv Aggarwal
Chairman & Managing Director



Annexure - A

Form No MGT 9

Extract of Annual Return as on the financial year ended on 31.03.2016

[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, gujarat.gears@gagl.net
- vi Whether listed Company : Yes
- vii Details of Registrar and Transfer Agent : MCS SHARE TRANSFERAGENT 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

Categories of Shareholders	No. of shares held at the beginning of the year i.e. on 01.04.2015				No. of shares held at the end of the year i.e. on 31.03.2016				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters.									
1. Indian									
g. Individual / HUF	173655	--	173655	9.92	173655	--	173655	9.92	0
h. Central Government	--	--	--	--	--	--	--	--	--
I. State Govt(s)	--	--	--	--	--	--	--	--	--
j. Bodies Corporate	1000803	--	1000803	57.19	1000803	--	1000803	57.19	0
k. Banks / FI	--	--	--	--	--	--	--	--	--
l. Any other	--	--	--	--	--	--	--	--	--
Sub – total (A) (1) :-	1174458	--	1174458	67.11	1174458	--	1174458	67.11	0
2. Foreign									
a. NRIs – Individuals	--	--	--	--	--	--	--	--	--
b. Other individuals	--	--	--	--	--	--	--	--	--
c. Bodies Corporate	--	--	--	--	--	--	--	--	--
d. Bank / FI	--	--	--	--	--	--	--	--	--
e. Any other..	--	--	--	--	--	--	--	--	--
Sub-total (A) (2) :-	--	--	--	--	--	--	--	--	--
Total Shareholding of promoter (A) = (A)(1) + (A)(2)	1174458	--	1174458	67.11	1174458	--	1174458	67.11	0

Annual Report 2015-16

Categories of Shareholders	No. of shares held at the beginning of the year i.e. on 01.04.2015				No. of shares held at the end of the year i.e. on 31.03.2016				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
1. institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks/ FI		2750	2750	0.16	--	2750	2750	0.16	0
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
I) Others (specify)	--	--	--	--	--	--	--	--	--
Sub – total (B)(1) :-		2750	2750	0.16		2750	2750	0.16	0
2.Non – institutions									0
a) Bodies Corporate									
i) Indian	59795	500	60295	3.45	31406	500	31906	1.82	-1.63
ii) oversea	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh.	369405	118605	488010	27.88	401078	114105	515183	29.44	1.56
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	--	--	--	--	--	--	--	--	--
c) others (HUF and NRI)	24487	--	24487	1.4	25703	--	25703	1.47	0.07
Sub – total (B)(2) :-	453687	119105	572792	32.73	458187	114605	572792	32.73	0
									0
Total Public Shareholding (B) = (B)(1) + (B)(2)	453687	121855	575542	32.89	458187	117355	575542	32.89	0
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	1628145	121855	1750000	100	1632645	117355	1750000	100	0

ii) Shareholding of Promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year i.e. on 01.04.2015			Share holding at the end of the year i.e. on 31.03.2016			% 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	NA	44680	2.55	NA	0.00
2	Asha Aggarwal	64630	3.69	NA	64630	3.69	NA	0.00
3	Him Teknoforge Ltd	725803	41.47	NA	725803	41.47	NA	0.00
4	Globe Precision Industries Pvt Ltd	275000	15.71	NA	275000	15.71	NA	0.00
5	Rajiv Aggarwal	8740	0.50	NA	8740	0.50	NA	0.00
6	Vijay Aggarwal	15721	0.90	NA	15721	0.90	NA	0.00
7	Urmil Aggarwal	11600	0.66	NA	11600	0.66	NA	0.00
8	Nitin Aggarwal	9021	0.52	NA	9021	0.52	NA	0.00
9	Anju Aggarwal	7821	0.45	NA	7821	0.45	NA	0.00
10	Ankur Aggarwal	9221	0.53	NA	9221	0.53	NA	0.00
11	Manan Aggarwal	2221	0.13	NA	2221	0.13	NA	0.00
	Total	1174458	67.1119	NA	1174458	67.11	NA	0.00



Gujarat Automotive Gears Limited

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

There is no change in holding of the Promoters during the year.

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 01.04.2015		Cummulative Shareholding at the end of the year 31.03.2016	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	A C Aggarwal Shares Brokers Pvt Limited	16719	0.96	3521	0.20
2	Neelam Mittal	7598	0.43	0	0.00
3	Sudarshan Kannan	7000	0.40	7000	0.40
4	Bhaumik S Katudiya	7000	0.40	7000	0.40
5	Sankarsan Sahu	5189	0.30	4418	0.25
6	Maharaj Kumar Raghuvir Singh	5000	0.29	5000	0.29
7	Ramagauri alians Rekhagauri Bhogilal Kothari	5000	0.29	5000	0.29
8	R Chandra Mauli	5000	0.29	5000	0.29
9	Kapilkumar Aggarwal	4999	0.29	0	0.00
10	Surekha Mukesh Shah	4957	0.28	3707	0.21
11	Vinaykumar Babulal Shah Shaileshkumar Babulal Shah	4887	0.28	5987	0.34
12	Globe Captal Market Limited	4676	0.27	676	0.04
13	Nita Shailesh Shah	4485	0.26	5250	0.30
14	Sudhir B Agarwal	3704	0.21	4778	0.27
15	Premchand Prakashchand Zambad/ Prakashchand Ranglal Zambad	4650	0.27	4675	0.27
16	Ananda Awalekar	3000	0.17	4435	0.25

* 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 01.04.2015		Shareholding at the end of year i.e. on 31.03.2016	
		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	Ankit jain	--	--	--	--
6	Shailesh Gandhi	--	--	--	--
7	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
Indebtedness at the beginning of the financial year i.e. 01.04.2015					
i)	Principal Amount	67,449,820	--	--	67,449,820
ii)	Interest due but not paid	--	--	--	--
iii)	Interest accrued but not due	358,356	--	--	358,356
Total (i+ii+iii)		67,808,176	--	--	67,808,176
Change in indebtedness during the financial year					
	Addition	51,558,366	--	--	51,558,366
	Reduction	-	--	--	-
Net Change		51,558,366			51,558,366
Indebtedness at the end of the financial year i.e. on 31.03.2016					
i)	Principal Amount	119,008,186	--	--	119,008,186
ii)	Interest due but not paid	--	--	--	--
iii)	Interest accrued but not due	636,146	--	--	636,146
Total (i+ii+iii)		119,644,332	--	--	119,644,332

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
		Rajiv Aggarwal [Managing Director]	
1	Gross Annual Salary	3021600	3021600
	Salary as per provisions contained in section 17(1) of the Income tax Act 1961		
	Value of perquisites u/s 17(2) Income tax Act, 1961		
	Profits in lieu of Salary under section 17(3) Income tax Act, 1961.		
2	Stock Option	--	-
3	Sweat Equity	--	-
4	Commission		
	- as a % of profit	--	-
	- others, specify	--	-
5	Others, Please Specify	--	--
	Total (A)	3021600	3021600
	Ceiling as per the Act	4200000	4200000



B. Remuneration to other directors

Particulars of Remuneration [Annual]	Name of the Director			Total Amount
	Rajendra Prasad Sinha	Ravikant Dhawan	Ankit Jain	
1. Independent Directors				
Fees for attending board committee meetings	9000	12000	9000	30000
Commission				
Others, Please Specify				
Total (1)	9000	12000	9000	30000
2. Other Non Executive Directors.	Anju Aggarwal			
Fees for attending board committee meetings	3000	--	--	3000
Commission	--	--	--	--
Others, Please Specify	--	--	--	--
Total (2)	3000			3000
Total (B)=(1+2)				33000

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

Sl No.	Particulars of Remuneration	key Managerial Personnel		Total
		Chintan Doshi - Company Secretary	Shailesh Gandhi - Chief Financial Officer	
1	Gross Annual Salary			
	(a) Salary as per provisions contained in Sec 17(1) of the Income tax Act 1961.	307018	408345	715363
	(b) Value perquisites u/s 17(2) Income tax Act, 1961.	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income tax act ,1961.	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	-as % of profit	--	--	--
	-others, specify	--	--	--
	Total	307018	408345	715363

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.2482.84 Lacs	(P.Y.Rs.2925.01 Lacs)
Foreign Exchange outgo during the year in terms of actual outflows	Rs.107.32 Lacs	(P.Y Rs.159.21 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. Ankit Jain	Non-Executive Independent Director	Chairman	1/1
Mr. Rajiv Aggarwal	Managing Director	Member	1/1
Mr. Ravikant Dhawan	Non-Executive Independent Director	Member	1/1

Committee met on 10.02.2016, during the year 01st April, 2015 to 31st March, 2016.

Details about CSR Expenditure.

Sr. No	Particulars	Amount (Rs)
1.	Average Net Profit of the Company for last three Financial Years.	6,76,44,875
2.	CSR Expenditure required to incurred	13,52,900
3.	Total Amount spent for the during the year	6,92,325
4.	Amount Unspent*	6,60,575

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.	Distt. Solan, HP - 173212	Health care	1352900	100000	100000	Through Indian Association of Muscular dystrophy (IAMD), Hospital Road Solan Distt. Solan, HP, - 173212.
		Distt. Solan, HP - 173212	Health care	1352900	21000	121000	Through Indian Red Cross Society.
		Rajkot, Gujarat	Health care	1352900	15325	136325	Amount Spent Directly by the Company.
2.	Promoting education, including special education and employment enhancing vocation skills.	Mumbai - 400077	Promoting Education	1352900	500000	636325	Through Sheth Dhanji Devshi Rashtriya Shala, upper primary with secondary school, upshrya lane, ghatkopar (E), Mumbai – 400077.
		Distt. Solan, HP - 173212	Promoting Education	1352900	31000	667325	Government Seniors Secondary School, Barotiwala, Baddi, HP, Dist- Solan
		Vadodara, Gujarat.	Promoting Education & culture.	1352900	25000	692325	Through United Way of Baroda

*Reason for unspent amount: During the year due to non-availability of proper NGO Company has not spent whole amount of CSR, however unspent amount will be spent during the financial year 2016-17.

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
Managing Director

Sd/-
Mr. Ankit Jain
Chairman – 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:

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. 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:	Purchase and sale of Material	
iii)	Date of approval by Board and Duration of Contract.	Date of Approval by Board	Duration of Contract
		13.03.2015	1 year [01.04.2015 to 31.03.2016]
iv)	Salient terms of contracts or arrangements :	Purchase of material by the Company on 30 days credit terms.	
v)	Value of transaction undertaken during the year.	1. Purchase of Material : Rs. 88,80,494 2. Sales of Material : Nil	
vi)	Amount paid in advance, if any :	No advanced is paid.	

By Order of the Board of Directors

Dated : 11.08.2016

Place : Vadodara

Rajiv Aggarwal

Chairman & 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 2015-16	The Percentage increase in remuneration of each Directors, and KMPs, if any in the financial year 2015-16.
(i)	Mr. Rajiv Aggarwal [Managing Director]	13.29	25.04%
	Mr. Shailesh Gandhi [CFO]	NA	Note:1
	Mr. Chintan Doshi [Company Secretary]	NA	Note:1
(ii)	Percentage increase in the median remuneration of employees in the financial year 2015-16 compared to 2014-15		16.84%
(iii)	Number of permanent employees on the rolls of the company as on 31.03.2016.		23
(iv)	Average percentage increase in salaries of Employees other than managerial personnel in the last financial year.		15.95%
	Comparison between average percentile increase in salaries of Employees other than managerial personnel in the last financial year and percentile increase in the Managerial Remuneration. And Justification if there any exceptional circumstances for increase in Managerial Remuneration.		Note : 1
(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.		Nil

Note 1: Appointment of Mr. Shailesh Gandhi, Chief Financial Officer and Mr. Chintan Doshi, Company Secretary made on 01.02.2015 and 13.03.2015, respectively, hence the details are not given.

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 affirmed 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 31ST 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, 2016 (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, 2016 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;
- (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)
- (vi) As informed to us the following other laws specifically applicable to the company are as under:
 - 1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 - 2. The Factories Act,1948
 - 3. The Industrial Employment (Standing Orders) Act,1946
 - 4. The Maternity Benefit Act, 1961
 - 5. The Minimum Wages Act, 1948
 - 6. The Payment of Wages Act, 1936



7. The Negotiable Instruments Act, 1881
8. The Payment of Gratuity act,1972
9. The Workmen's Compensation Act,1922
10. The Contract Labour (Regulation & Abolition) Act,1970
11. The Industrial dispute Act,1947
12. The Payment of Bonus Act,1965
13. The Employment Exchange Act,1959
14. The Apprentice Act,1961
15. The Equal Remuneration Act, 1976
16. The Employees' State Insurance Act, 1948
17. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013.

In respect of above laws specifically applicable to the Company, we have relied on information /records produced by the company during the course of our audit on test check basis and limited to that extent, the company has complied with the above laws applicable to the company.

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.

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. There was no change in the composition of the Board of Directors except Mrs. Anju Aggarwal was appointed as an additional director on 28.12.2015. 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: 15/05/2016**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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 auto-components industry accounts for almost seven per cent of India's Gross Domestic Product (GDP) and employs as many as 19 million people, both directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and an everincreasing development in infrastructure have made India a favourable destination for investment. Clearly, the auto component industry is on a path of growth.

Further, Mr. Narendra Modi, Hon'blePrime Minister of India has already launched important initiatives. For our business, the "Make in India" initiative is primarily important because it signals the government's willingness to make India a global hub for the manufacturing industry. The initiative is aimed at providing an enabling environment by improving the ease of doing business in India and reducing bureaucracy. The vision of Gujarat Automotive gears Limited to leverage global oportunities orchestrates well with the Indian government's 'Make in India' campaign.

However financial year 2015-16 was a difficult year for the automotive industry particularly for the company engaged in export market due to slackened pace of expansion of Europe market.

Opportunity

With ever incresing automotive sector world wide, the Company is ready to grab opportunities by developing new products and expanding the customer base.

Threats

The common threats of doing business can be divided into economic, political, legal/regulatory, and business risks.

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. Only after the creation of the necessary know-how, structures and processes can further growth be successfully implemented. In addition, the management team will be further strengthened, i.e. supplemented by other professional team members and formed into a strong team.

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. 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 quaterly 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.

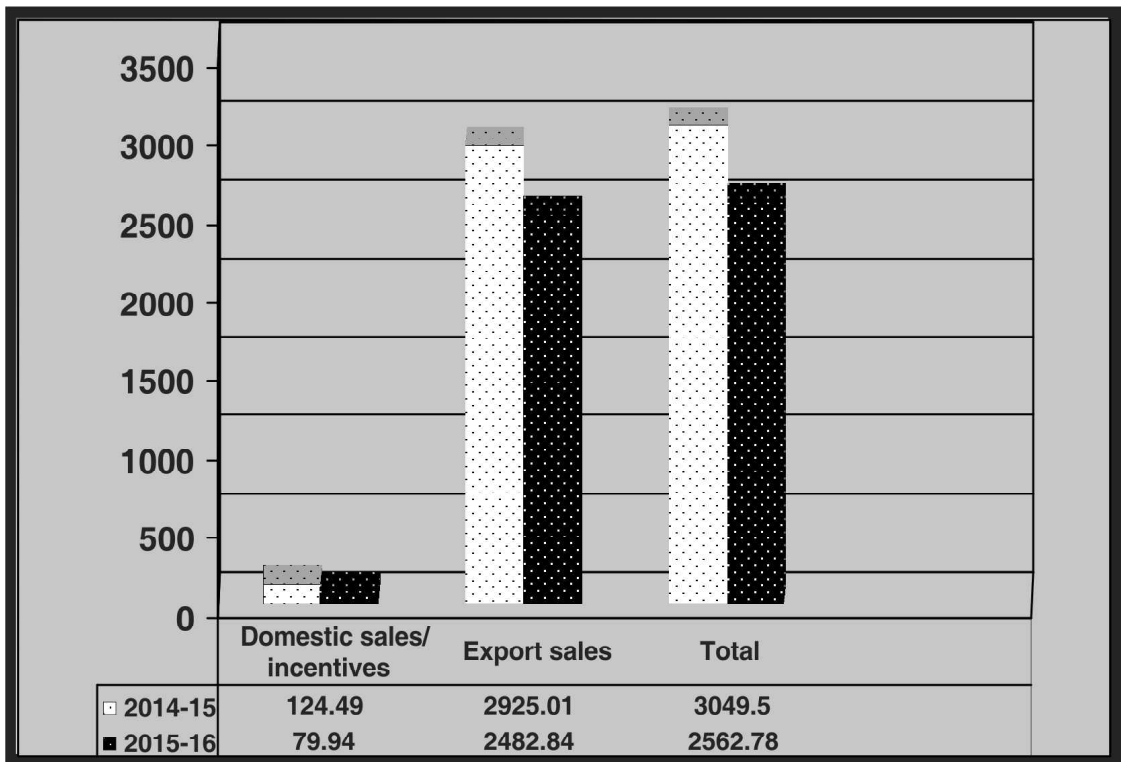
Discussion on financial performance with respect to operational performance

Your Company has achieved turnover of Rs. 2562.78 lacs for the financial year 2015-16. However, last year Company's turnover was Rs. 3049.50 lacs. Further, Company incurred profit of Rs. 409.94 lacs in the F.Y. 2015-16.

Company Performance (Rs in lacs):

Total revenue : Rs. 2858.80
 EBDT : Rs. 645.92
 Profit after tax : Rs. 409.94

Revenue from operation (Net) (Rs. In lacs):



Material Developments in Human resources:

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 AUDITORS' 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, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year the 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.

Auditors' 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, 2016;
- 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 (Auditors' 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, 2016 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2016 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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

Arati Parmar
Partner
Membership No: 102888

Place: Mumbai
Date: 31.05.2016

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of GUJARAT AUTOMOTIVE 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, 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
Total				95,679

- 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 Number: 104746W/W100096

Arati Parmar
Partner
Membership No: 102888

Place: Mumbai
Date: 31.05.2016

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 auditors' 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 Number: 104746W/W100096

Arati Parmar
Partner
Membership No: 102888

Place: Mumbai
Date: 31.05.2016

BALANCE SHEET AS AT 31.03.2016

(Amount in Rs)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,500,000	3,500,000
Reserves and Surplus	3	267,242,137	227,722,314
Non-Current Liabilities			
Long-term borrowings	4	72,699,858	47,200,000
Deferred tax liabilities (net)	26	1,795,243	1,774,160
Long term provisions	5	286,403	199,339
Current Liabilities			
Short-term borrowings	6	30,546,462	7,449,820
Trade payables (Refer Note No.35)		35,654,954	30,915,056
Other current liabilities	7	26,205,010	17,431,979
Short-term provisions	8	2,398,116	1,766,301
Total		440,328,184	337,958,969
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	49,474,251	26,117,557
Long term loans and advances	10	275,464,583	193,773,111
Current assets			
Inventories	11	33,984,971	39,377,237
Trade receivables	12	39,688,721	47,020,500
Cash and Bank balances	13	16,890,770	16,177,495
Short-term loans and advances	14	798,924	700,466
Other current assets	15	24,025,964	14,792,602
Total		440,328,184	337,958,969
Summary of Significant Accounting Policies	1		

The accompanying notes are integral part of the financial statements

For Kanu Doshi Associates LLP

Chartered Accountants
FRN: 104746W/W100096

Arati Parmar

Partner
M.No. 102888

Place:- Mumbai
Date :- 31.05.2016

Shailesh Gandhi
Chief Financial Officer

Chintan Doshi
Company Secretary

Place:- Baddi
Date :- 30.05.2016

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 31.03.2016

(Amount in Rs)

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue from operations (Gross)	16	270,801,609	322,640,507
Less: Excise Duty		14,523,593	17,689,970
Revenue from operations (Net)		256,278,016	304,950,537
Other Income	17	29,602,587	16,013,307
Total Revenue		285,880,602	320,963,844
Expenses :			
Cost of materials consumed	18	137,462,115	164,078,141
Changes in inventories of finished goods and semi finished goods	19	(1,225,648)	(1,476,702)
Employee benefits expense	20	22,052,784	18,411,843
Financial costs	21	12,067,487	2,461,442
Depreciation and amortization expenses	9	2,877,237	3,902,174
Other expenses	22	50,931,335	63,207,955
Total Expenses		224,165,310	250,584,852
Profit before exceptional items and tax		61,715,292	70,378,992
Profit before tax		61,715,292	70,378,992
Tax expense:			
Current tax		20,700,000	23,202,785
Deferred tax (credit)/ expense		21,083	(334,476)
Earlier years tax adjustments		-	(4,500)
Profit/(Loss) for the period		40,994,209	47,515,183
Earning per equity share:	27		
Basic		23.43	27.15
Diluted		23.43	27.15
Summary of Significant Accounting Policies	1		

The accompanying notes are integral part of the financial statements

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

Arati Parmar
Partner
M.No. 102888

Place:- Mumbai
Date :- 31.05.2016

On behalf of the Board
Shailesh Gandhi
Chief Financial Officer
Rajiv Aggarwal
Managing Director
DIN:00094198

Chintan Doshi
Company Secretary

Place:- Baddi
Date :- 30.05.2016

Ravikant Dhawan
Director
DIN:00101878

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

(Amount in Rs)

Particulars	31.03.2016	31.03.2015
Net Profit before Tax	61,715,292	70,378,992
Adjustment for		
Depreciation	2,877,237	3,902,174
Interest Expenses	12,067,487	2,461,442
(Profit)/loss on sale of fixed assets	(5,000)	(106,975)
Interest income	(26,700,295)	(15,907,274)
Changes in foreign exchange		-
Operating profit before working capital changes	49,954,722	60,728,359
Adjustment for		
Sundry Debtors	7,331,779	4,545,940
Loans & Advances	4,293,575	(331,727)
Inventories	5,392,266	(8,317,036)
Trade and Other Liabilities and Provisions	10,630,300	(15,323,213)
Total	27,647,920	(19,426,036)
Cash Generated from operations	77,602,642	41,302,323
Direct taxes paid	(20,088,479)	(23,997,345)
Net Cash Flow from Operating Activities	57,514,163	17,304,978
Cash flow from Investing Activities		
Purchase of fixed assets including WIP	(26,233,931)	(34,423)
Sale of fixed assets	5,000	106,975
Inter corporate Deposit given	(85,000,000)	(80,000,000)
Interest received	16,143,358	3,993,538
Decrease/(Increase) in Fixed Deposit with banks	-	(3,470,000)
Net cash used in investing activities	(95,085,573)	(79,403,910)
Cash flow from financing activities		
Increase/(Decrease) in working capital facilities	23,096,642	7,449,820
Repayment on long term borrowings (Net)	(12,838,276)	-
Increase in long term loans	41,300,000	60,000,000
Proceeds/Repayment of unsecured loan		
Dividend paid (Including Dividend distribution tax)	(1,483,984)	(1,172,619)
Interest paid	(11,789,697)	(2,461,442)
Net cash used in financing activities	38,284,685	63,815,759
Net (decrease)/increase in cash and cash equivalents	713,275	1,716,828
Opening Cash and cash equivalent	16,177,495	4,237,927
Closing Cash and cash equivalent	16,890,770	5,954,755

Note : 1.Cash & Cash Equivalents includes Cash In Hand and Bank Balances.

2. The above cash flow has been prepared under the Indirect method as set out in Accounting Standards-3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules,2006

3. Previous year's figures have been Re-grouped/ Re-arranged, wherever considered necessary

The accompanying notes are integral part of the financial statements

For Kanu Doshi Associates LLP

Chartered Accountants
FRN: 104746W/W100096

Arati Parmar
Partner
M.No. 102888
Place:- Mumbai
Date :- 31.05.2016

Shailesh Gandhi
Chief Financial Officer

Chintan Doshi
Company Secretary

Place:- Baddi
Date :- 30.05.2016

On behalf of the Board

Rajiv Aggarwal
Managing Director
DIN:00094198

Ravikant Dhawan
Director
DIN:00101878



1. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1A Company Background

Gujarat Automotive Gears Limited (GAGL) was incorporated 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 fixed assets brought into use after 31st March, 1995 is calculated on the straight line method, whereas for assets brought into use before 31st March, 1995, it is computed on written down value method. In either case, depreciation has been provided at the rates prescribed under Schedule XIV of the Companies Act, 1956.

In respect of assets acquired/sold during the year, depreciation is provided on a Pro-rata basis with reference to the period for which the asset was put to use during the year. Depreciation on multiple shift working has been provided in accordance with Schedule XIV of the Companies Act, 1956.

Company changing depreciation on SLM basis as per useful life mentioned 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 asset 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 and finished goods 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, 2016

(Amount in Rs.)

2 Share Capital

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised		
21,25,000 Equity Shares (Previous Year 21,25,000 of Rs.2 each) 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 (5,00,000) unclassified shares of Rs.10/- each	5,000,000	5,000,000
	10,000,000	10,000,000
Issued, Subscribed and Fully Paid up		
17,50,000 (Previous Year 17,50,000 of 2/- each) Equity Shares of Rs. 2/- each fully paid-up	3,500,000	3,500,000
TOTAL	3,500,000	3,500,000

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 Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Director through Board meeting held on 30/05/2016.

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, 2016	As at 31st March, 2015
In Equity Shares		
HIM Teknoforge Limited		
No. of Shares (Equity shares of Rs 2 each)	725,803	725,803
% holding in the class	41.47%	41.47%
Globe Precision Industries Pvt Ltd		
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, 2016

3 Reserves & Surplus

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
General Reserve		
As per Last Balance Sheet	30,389,235	25,633,943
Add : Transferred from Profit and Loss Account	4,106,651	4,755,292
Closing Balance	34,495,886	30,389,235
Balance In Profit & Loss Account		
As per Last Balance Sheet	197,333,079	156,474,073
Profit for the year	40,994,209	47,515,183
Transfer to General Reserve	4,106,651	4,755,292
Proposed Dividend	1,225,000	1,225,000
Tax on Proposed Dividend	249,386	250,758
Deprecation charged to Profit and Loss a/c (as per Companies Act 2013)	---	425,127
Net Surplus in profit and Loss account	232,746,251	197,333,079
TOTAL	267,242,137	227,722,314

4 Long Term Borrowing

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Term Loan Form Bank		
SIDBI (note 1)	71,840,000	47,200,000
Sundram Finance Limited (Note 2)	859,858	
TOTAL	72,699,858	47,200,000

Note 1 :- Loan from SIDBI is secured against first charge by way of mortgage of all immovable properties of the company situated at village Kalali, Baroda and covered by personal guarantee of Mr.Rajiv Aggarwal. Interest Charged @ 12 % p.a. and repayable in 78 equal 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 34 installments of Rs. 43300/- along with interest. Last instalment due on December,2018. The loan is secured by hypothication of vehicle for which loan is taken.

5 Long Term Provisions

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unfunded		
For Leave Encashment	286,403	199,339
TOTAL	286,403	199,339

6 Short Term Borrowing

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured:		
Packing Credit from SBI	30,546,462	7,449,820
Secured against		
(1) Hypothication Of Stocks/BD/Bills		
(2) First Charge on the plant & machinaty & Misc Fixed assests of the company		
(3) Personal guarantee By Mr. Rajiv aggarwal & Corporate guarantee of Him Teknoforge Ltd & Globe Precision Industries P Ltd		
(4) Fixed Deposit (Margin Money) Rs. 75,00,000/-		
TOTAL	30,546,462	7,449,820



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

7 Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured:		
Current maturities of long term loans (Refer note.1 above)	15,761,866	12,800,000
Unpaid dividends	2,714,515	2,722,741
Trade Advances	4,492,534	969,972
Statutory Dues	583,024	580,910
Interest accrued but not due	636,146	358,356
Forward Contact (net)	2,016,926	---
	26,205,010	17,431,979

8 Short Term Provisions

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits-Unfunded		
For Leave Encashment	159,739	116,320
For Bonus	392,540	174,223
Others		
For Proposed Dividend	1,225,000	1,225,000
For Current Tax (net)	371,451	
For Tax on Proposed Dividend	249,386	250,758
	2,398,116	1,766,301

9 FIXED ASSETS

(Amount in Rs.)

PARTICULARS	Gross Block				Depreciation & Amortisation				Net Block	
	As at 01.04.2015	Addition during the year	Deduction during the year	As at 31.03.2016	Upto 31.03.2015	Adj.on A/c of Sales of Assets	Provided for the year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
LAND & BUILDING										
Land	52001	0	0	52001	0	0	0	0	52001	52001
Land -Gametha		24669094	0	24669094	0	0	0	0	24669094	0
Factory Building	4523604	0	0	4523604	1214893	0	121058	1335951	3187653	3308711
Other Civil Construction	992737	0	0	992737	342237	0	13285	355522	637215	650500
Road and Service	63308	0	0	63308	63307	0	0	63308	0	0
Tube Well	26316	0	0	26316	26316	0	0	26316	0	0
FURNITURE & FIXTURE										
Furniture, Fixture, Fittings	249594	0	0	249594	239454	0	8326	247780	1814	10140
PLANT & MACHINERY										
Plant and machinery	46877086	0	0	46877086	30560342	0	1579456	32139798	14737288	16316744
Laboratory Equipment	0	0	0	0	0	0	0	0	0	0
Electrical installation	1634059	0	0	1634059	885906	0	69165	955071	678988	748153
Air conditioner & water cooler	722436	0	0	722436	688380	0	10812	699192	23244	34056
Factory Equipment	68493	0	0	68493	68493	0	0	68493	0	0
Office Equipment	525936	77450	85168	518218	266555	85168	120369	301756	216462	259381
Vehicle	6652452	0	0	6652452	4416941	0	626308	5043249	1609203	2235511
Tempo	1073021	1456362	0	2529383	639743	0	135524	775267	1754116	433278
Computer	855594	31025	0	886619	798107	0	34635	832743	53877	57487
Meserment Instrument	4050622	0	0	4050622	2039025	0	158299	2197324	1853298	2011597
D.G.Generator	903752	0	0	903752	903752	0	0	903752	0	0
TOTAL (A)	69271011	26233931	85168	95419774	43153451	85168	2877237	45945521	49474253	26117559
PREVIOUS YEAR TOTAL (A)	69579921	115350	424260	69271011	39250412	424260	4327301	43153454	26117557	30329509
INTANGIBLE ASSETS										
Computer Software	140400	0	0	140400	140400	0	0	140400	0	0
TOTAL	140400	0	0	140400	140400	0	0	140400	0	0
PREVIOUS YEAR TOTAL	140400	0	0	140400	140400	0	0	140400	0	0
TOTAL (A+B)	69411411	26233931	85168	95560174	43293851	85168	2877237	46085921	49474251	26117557
PREVIOUS YEAR TOTAL (A+B)	69720321	115350	424260	69411411	39390812	424260	4327301	43293854	26117557	30329509

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

10 Long Term Loans And Advances

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured considered good		
Security Deposits	631,705	621,705
Inter Corporate Deposit (Refer Note.28)	255,000,000	170,000,000
Refund receivable from Government Authority	19,832,878	22,911,336
Advance Income tax (net of provision)		240,070
	275,464,583	193,773,111

11 Inventories (Refer Note No. 1 B (VIII))

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Raw Material	1,887,992	1,321,491
Work - In - Process	17,551,630	11,881,270
Finished Goods	2,596,614	2,511,669
Goods in Transit	6,229,336	10,295,554
Raw Material Components	4,797,174	11,340,397
Stores and Spares parts and packing Material	785,422	1,426,614
Scrap	136,803	600,242
	33,984,971	39,377,237

12 Trade Receivables

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured, considered good		
Debts outstanding for a period exceeding six Months from the date they are due for payment	---	99,240
Other debts - (less than six months)	39,688,721	46,921,260
	39,688,721	47,020,500

13 Cash and Bank Balances

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash & Cash Equivalents		
Balances with Banks :		
Current Accounts	6,641,317	5,907,930
Cash on hand	18,718	2,943
Cash In Foreign Currenecy	16,221	43,882
Other Bank Balances		
Unpaid Dividend Accounts	2,714,515	2,722,741
Term Deposits	7,500,000	7,500,000
Lien against packing credit (refer note no 6)		
	16,890,770	16,177,495



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

14 Short Term Loans and Advances

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured considered good		
Trade Advance	457,479	319,039
Advances recoverable in cash or in kind	341,445	381,427
TOTAL	798,924	700,466

15 Other Current Assets

(Amount in Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest Accrued but not due	24,025,964	13,469,027
Forward Contact (net)	---	1,323,575
TOTAL	24,025,964	14,792,602

16 Revenue from operations

(Amount in Rs.)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Sale of Products	265,167,254	313,997,903
Processing Charges	407,553	825,760
Other operating revenues		
Scrap Sales	1,251,291	798,426
Export Incentives	3,975,511	7,018,418
Revenue from operations (Gross)	270,801,609	322,640,507
Less : Excise Duty	14,523,593	17,689,970
Revenue from operations (Net)	256,278,016	304,950,537

17 Other Income

(Amount in Rs.)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest Income		
- ICD	25,289,865	14,273,933
- Fixed Deposit	1,332,345	1,489,764
- Others	78,085	143,577
Other Miscellaneous Income	59,413	(941)
Foreign exchange Fluctuation	2,837,879	---
Profit/(Loss) on sale/discard of fixed assets	5,000	106,975
TOTAL	29,602,587	16,013,307

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

18 Cost of raw materials and components consumed

(Amount in Rs.)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<u>Raw Material-Steel & others</u>		
Opening stock	1,321,491	1,952,807
Add: purchases during the year	68,899,199	75,018,254
less: closing stock	(1,887,992)	(1,321,491)
	68,332,698	75,649,570
<u>Raw Material Component</u>		
Opening stock	11,340,397	4,075,604
Add: purchases during the year	62,586,194	95,693,364
less: closing stock	(4,797,174)	(11,340,397)
	69,129,417	88,428,571
TOTAL	137,462,115	164,078,141

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

(Amount in Rs.)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Opening Stock		
Finished Goods	2,511,669	4,347,131
Goods In Transit	10,295,554	3,786,920
Semi Finished Goods (WIP)	11,881,270	15,409,752
Scrap	600,242	268,230
Total	25,288,735	23,812,033
Closing Stock		
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
	26,514,383	25,288,735
Increase/(Decrease)	1,225,648	1,476,702

20 Employee benefits expense

(Amount in Rs.)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Salaries and Wages (Including Bonus and Gratuity, leave encashment)	21,589,424	18,013,435
Contribution to Provident and other Funds	441,846	364,372
Workmen and Staff Welfare Expenses	21,514	34,036
TOTAL	22,052,784	18,411,843



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

21 Finance Costs

(Amount in Rs.)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest		
Term loan (SIDBI)	10,630,263	1,226,948
Banks (EPC & PCFC)	1,373,017	1,234,494
Others	64,207	---
TOTAL	12,067,487	2,461,442

22 Other expenses

(Amount in Rs.)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Power & Fuel	4,522,399	4,602,867
Freight Inward and Octroi	1,587,825	1,910,860
Consumption of Stores and Spares	5,328,221	5,811,927
Processing Charges	10,922,118	11,253,035
Excise Duty on finished goods (net)	(42,055)	(161,938)
Laboratory Charges	42,441	15,105
Insurance	1,441,825	2,138,872
Repairs and Maintenance		
- Buildings	3,300	2,224
- Plant and Machinery	495,428	1,892,812
- Others	101,857	266,929
Payment of Government Duties	1,459,279	2,016,587
Rates and Taxes	343,876	287,604
Director Sitting Fees	33,000	42,000
Travelling and conveyance	2,341,001	2,392,006
Advertisement and Sales Promotion	140,334	98,321
Postage, telephone and Communication expenses	302,759	304,051
Printing and Stationery	271,245	265,092
Packing materials	10,332,029	13,605,858
Freight Outward	4,213,718	5,634,725
Commission and Discount	---	1,061,636
Vehicle Running and maintenance	1,849,819	2,023,687
Legal and Professional fees	2,113,294	3,144,007
Fees & Subscription	448,804	517,777
CSR Expenses	692,325	510,560
Bank Charges	1,763,389	1,223,160
Office Exp	82,046	---
Foreign exchange Fluctuation	---	2,348,191
Bad Debts Written Off	141,059	---
TOTAL	50,931,335	63,207,955

23 Contingent liability and Commitments

(Amount in Rs.)

Contingent liability not provided for:	31.3.2016	31.3.2015
Disputed Income tax Liabilities (AY 2001-02) (pending before Hon'ble Gujarat High Court)	95,679	95,679

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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 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.)

Geographic Location	31.3.2016	31.3.2015
USA	14,630,613	10,975,572
Europe	217,778,927	239,003,880
Gulf Countries	11,132,960	31,323,467
Others (Domestic)	7,101,160	15,005,014
Total	250,643,660	296,307,933

All assets of the company except trade receivable of Rs.35,813,990/- (P.Y. Rs.46,759,736/-) are within India.

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

(Amount in Rs.)

Deferred Tax:	As on 1.4.2015	Current Year	As on 31.3.2016
Deferred Tax Assets on Account of			
(i) Employee Benefit	102,416	45,079	147,495
Total (A)	102,416	45,079	147,495
Deferred Tax Liability on Account of			
(i) Depreciation	1,876,575	66,161	1,942,736
Total (B)	1,876,575	66,161	1,942,736
Net Deferred Tax Assets/(Liability)	(1,774,159)	(21,083)	(1,795,242)

27 Earning per Share

(Amount in Rs.)

Particulars	31.03.2016	31.03.2015
Profit after tax	40,994,209	47,515,183
No. of shares	1,750,000	1,750,000
Nominal value per share in rupees	2	2
Basic and diluted earning per share	23.43	27.15

28 Related Party Disclosures

(Amount in Rs.)

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

ii) Key Management Personnel	31.03.2016	31.03.2015
Payment of Managerial Remuneration		
Mr. Rajiv Aggarwal , Managing Director	3,000,000	2,416,500
Salary	---	---
Shailesh Gandhi [appointed as on 1/2/2015]	408,345	49,250
Chintan Doshi [appointed as on 13/3/2015]	307,018	13,548
Enterprise in which key managerial personnel or their relative has significant influence		
HIM Teknoforge Limited		
Purchase of material	8,845,694	29,927,825
Sales of Material	---	291,074
Process Charges	34800	---
Inter Corporate Deposit Given	85,000,000	170,000,000
Interest Income	25,289,865	14,273,933
Balance Outstanding		
Mr.Rajiv Aggarwal - Remuneration Payable	250,000	200,000
Shailesh Gandhi - Salary Payable	28,000	24,625
Chintan Doshi - Salary Payable	21,000	13,548
HIM Tecknoforge Limited	---	---
ICD Receivable	255,000,000	170,000,000
Interest Receivable	22,760,878	12,846,540
Payable against Purchases	---	592,936

29 Managerial Remuneration

(Amount in Rs.)

Particulars	31.03.2016	31.03.2015
Salary	3,000,000	2,400,000
Contribution to Provident and other funds	21,600	16,500
Perquisites	-	-
Total	3,021,600	2,416,500

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 Auditor's Remuneration

(Amount in Rs.)

Particulars	31.03.2016	31.03.2015
Audit Fees	200,000	200,000
Tax Audit fees	50,000	50,000
Other Matters	75,000	75,000
Reimbursement of expenses	60,009	80,109

31 Employee Benefits

a) Defined benefit plans as per actuarial valuation on:

(Amount in Rs.)

PARTICULARS	Gratuity Funded	
	31.03.2016	31.03.2015
I Expenses recognized in the statement of profit & Loss for the year ended		
1 Current Service Cost	56,174	64,982
2 Interest Cost	81,041	74,145
3 Employee Contribution	-	-
4 Expected Return on Plan Assets	(98,550)	(99,911)
5 Net Actuarial (Gain/ Losses)	(55,777)	33,516
6 Past Service Cost	-	-
7 Settlement Cost	-	-
8 Total Expenses	(17,112)	72,732
II Net Asset/ Liability recognized in the Balance Sheet As at		
1 Present Value of Defined Benefit Obligation	1,094,450	1,013,012
2 Fair Value of Plan Assets	1,270,858	1,172,308
3 Funded status [Surplus / (Deficit)]	176,408	159,296
4 Net Assets/(liability)	176,408	159,296

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

III	Change in Obligation During the year Ended		
1	Present Value of Defined Benefit Obligation at beginning of the year	1,013,012	926,809
2	Current Service cost	56,174	64,982
3	Interest Cost	81,041	74,145
4	Settlement Cost	-	-
5	Past Service Cost	-	-
6	Employee contribution	-	-
7	Actuarial (Gain) / Losses	(55,777)	33,516
8	Benefits Payments	-	(86,440)
9	Present Value of Defined Benefit obligation at the end of the year	1,094,450	1,013,012
IV	Change in Assets During the year ended		
1	Plan Assets at the Beginning of the year	1,172,308	1,164,108
2	Assets acquired on amalgamation in previous year		---
3	Settlements		---
4	Expected return on plan assets	98,550	99,911
5	Contribution By Employer	---	(5,272)
6	Actual Benefits Paid	---	(86,440)
7	Actuarial (Gain)/Losses	---	---
8	Plan Assets at the end of the year	1,270,858	1,172,308
9	Actual return on plan assets	---	---
V	The major categories of plan Assets as a percentage of total plan		
	Qualifying Insurance Policy	100%	100%
VI	Actuarial Assumption		
	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 Slandered 15(Revised). Actuarial Value of Liabilities at the year end is Rs 446142/- (P.Y. 315659) based upon following assumption. Expenses provided in the profit and loss account is Rs. 333142/- (P.Y. Rs.441596/-)

	31.03.2016	31.03.2015
Discount Rates	8%	8%
Salary Escalation	7%	7%

32 2. 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.

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

Particulars	31.03.2016	31.03.2015
Export Debtors (Net of Advances)	---	14,264,661

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

Currency	Number of Contracts	Buy Amount	Purpose
EURO	12	74,187,366	Protection of loss on debtors

34

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	31.03.2016		31.03.2015	
	Value	%	Value	%
Raw Material				
Imported	–	0.00%	–	–
Indigenous	68,332,698	100.00%	75,649,570	100.00%
Total	68,332,698	100.00%	75,649,570	100.00%
Stores/Components				
Imported	9,424,394	12.66%	14,353,958	15.23%
Indigenous	65,033,244	87.34%	79,886,540	84.77%
Total	74,457,638	100.00%	94,240,498	100.00%

B Details of Foreign exchange earned and spent during the year

- i) F.O.B. Value of Export Rs. 24,82,84,196/- (Previous Year: Rs. 29,25,01,066/-)
- ii) Foreign Exchange spent on expenses equivalent in Indian currency: Foreign Travelling Rs. 6,50,999/- (Previous Year: 6,55,740/-), commission Rs. 2,44,835/- (Previous Year: 5,12,518), Imported Components Rs. 9,424,394/- (Previous Year: 1,43,53,958), Bank Charges Rs. 4,11,829/- (Previous Year: 3,98,697).

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.

For Kanu Doshi Associates LLP

Chartered Accountants
FRN: 104746W/W100096

Arati Parmar

Partner
M.No. 102888

Place:- Mumbai
Date :- 31.05.2016

Shailesh Gandhi
Chief Financial Officer

Chintan Doshi
Company Secretary

Place:- Baddi
Date :- 31.05.2016

On behalf of the Board

Rajiv Aggarwal
Managing Director
DIN:00094198

Ravikant Dhawan
Director
DIN:00101878



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 FIFTH ANNUAL GENERAL MEETING** of the Company held at registered office of the Company at **Village Billanwali, Baddi - 173205, Dist. Solan (HP)** on **Friday, 30th September 2016 at 11:30 AM.**



GUJARAT AUTOMOTIVE GEARS LIMITED
(CIN: L29130HP1971PLC000904)
REGISTERED OFFICE: VILLAGE BILLANWALI, BADDI-173205 DISTT. SOLAN(HP)
E-mail ID: gujarat.gears@gagl.net, gujarat.gears@gmail.com
FOURTY FIFTH ANNUAL GENERAL MEETING
Friday, 30th September, 2016 at 11:30 a.m.

PROXY FORM

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 Fourty Fifth Annual General Meeting of the Company, to be held on **Friday, 30th September, 2016 at 11:30 a.m.** at registered office of the company at **Village Billanwali, Baddi – 173205, District. Solan (HP)** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of Accounts.		
2.	Declaration of Dividend.		
3.	Appointment of Mr. Rajiv Aggarwal as a Director.		
4.	Appointment of Statutory Auditors.		
Special business			
5.	Appointment of Mrs. Anju Aggarwal as a Director.		

Signed this _____ day of _____ 2016

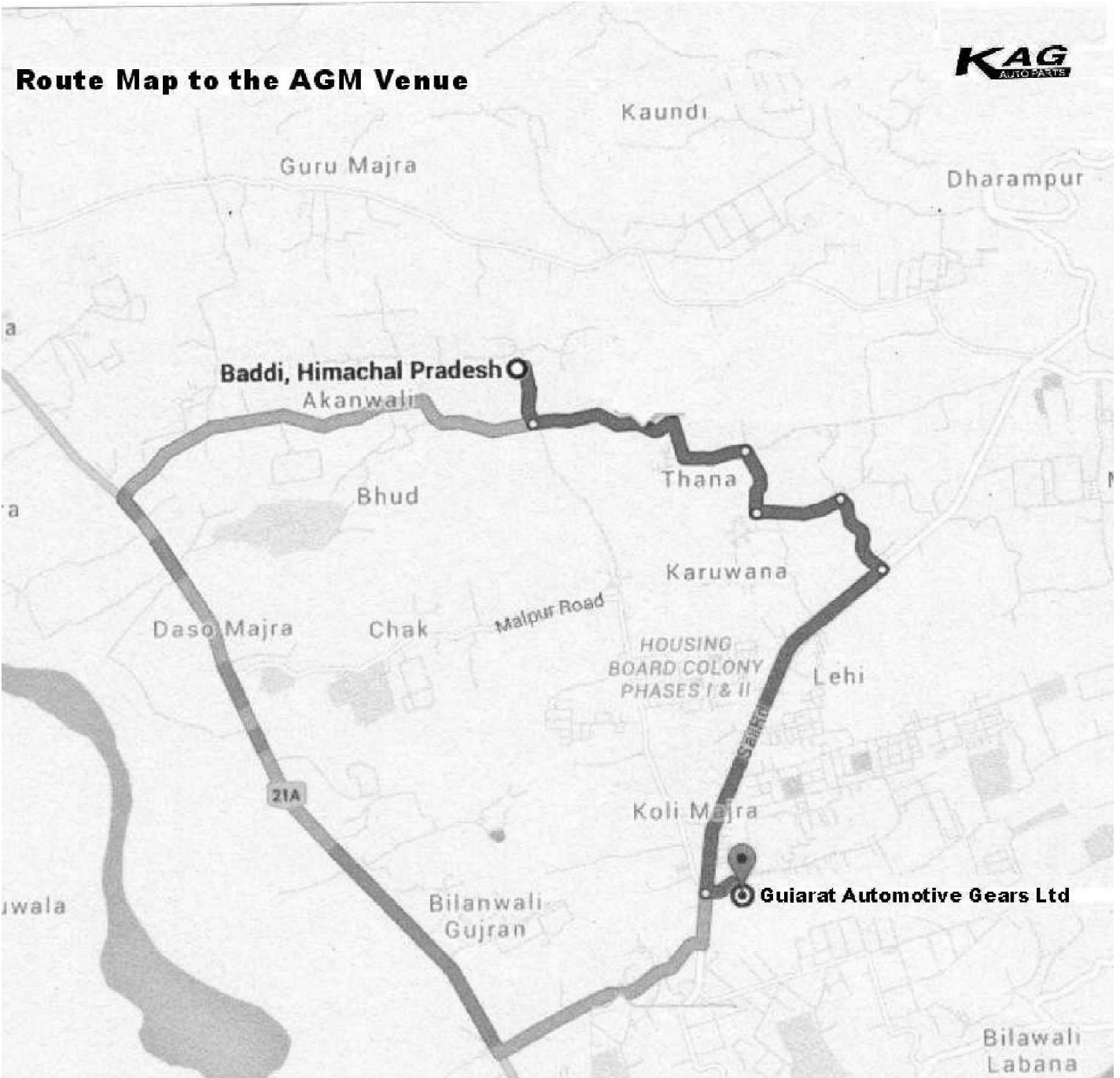
Member's Folio/ DP ID- Client ID No. _____

Signature of shareholder(s) _____

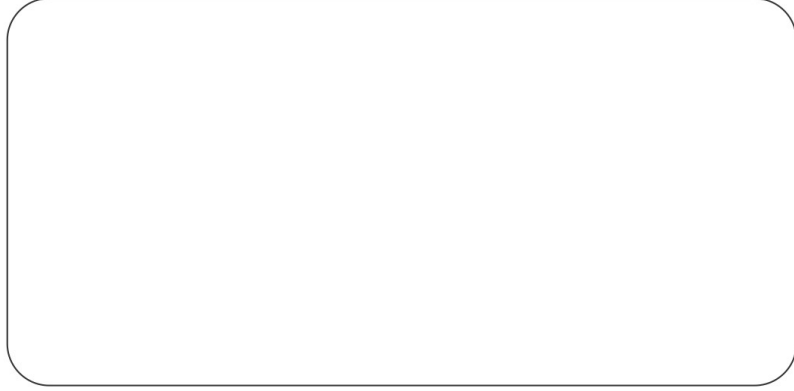
Signature of Proxy holder(s) _____

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 45th 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.



Book Post



If Undelivered, please return to:

GUJARAT AUTOMOTIVE GEARS LTD.

Kalali, Baroda - 390 012. India.

Telephone No: 0265 - 2680164 / 2680537

Fax No: 0265 - 2680984

E mail Address : gujarat.gears@gagl.net

Web Add : www.gagl.net

CIN No: L29130HP1971PLC000904