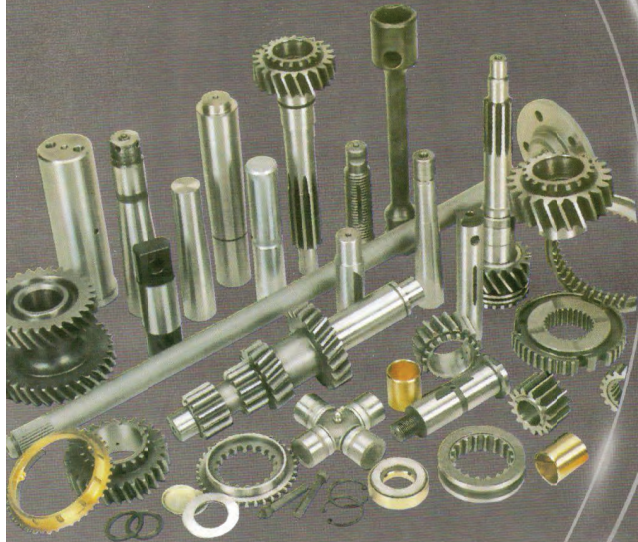


GUJARAT AUTOMOTIVE GEARS LTD.

**44th
Annual Report
2014-2015**



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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

GUJARAT AUTOMOTIVE GEARS LIMITED

CIN: L29130HP1971PLC000904

FOURTY FOURTH ANNUAL REPORT 2014-2015

BOARD OF DIRECTORS:

Mr Rajiv Aggarwal	-	Chairman & Managing Director
Mr Ravikant Dhawan	-	Independent Director
Mr Rajendra Prasad Sinha	-	Independent Director
Mr Ankit Jain	-	Independent Director
Mr. Shailesh Gandhi	-	Chief Financial Officer
Mr. Chintan Doshi	-	Company Secretary

AUDITORS:

M/s. KANU DOSHI ASSOCIATES, 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.

WORKS & 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



NOTICE

CIN: L29130HP1971PLC000904

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

NOTICE is hereby given that the Fourty Fourth Annual General Meeting of the members of GUJARAT AUTOMOTIVE GEARS LIMITED will be held at 11:30 a.m. on Tuesday, the 29th September, 2015 at the Registered Office of the Company situated at Village Billanwali, Baddi – 173205, District. Solan (HP) to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Balance Sheet as at 31st March, 2015 and the Profit & Loss Account of the Company for the year ended on that day together with the Directors' and Auditors' Reports thereon.
- To declare dividend, if any.
- To appoint a Director in place of Mr. Rajiv Aggarwal (DIN 00094198), who retires by rotation and being eligible to offers himself for re-appointment.
- To Reappoint the Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS :**5. To consider and if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act, 2013, Mr. Ravikant Tilakraj Dhawan (DIN 00101878) who ceases at the ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years up to 28th September, 2020."

6. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act, 2013, Mr. Rajendra Prasad Sinha (DIN 02129566) who ceases at the ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years up to 28th September, 2020."

7. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act, 2013, Mr. Ankit Jain (DIN 02918898) who ceases at the ensuing annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years up to 28th September, 2020."

By Order of the Board of Directors

Rajiv Aggarwal
Chairman & Managing Director

Dated : 13.08.2015

Vill. : Billanwali, Baddi – 173205

Distt: Solan (HP)

NOTES:

- 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.
- Members should notify change in the address, if any, specifying full address in block letters with pin code of the post office.
- 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.
- The register of members and share transfer book will remain closed from Wednesday, the 23rd September, 2015 to Tuesday, the 29th September, 2015 [both days inclusive].**
- Members attending the meeting are requested to bring their copy of the Annual Report.
- 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.
- 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.

- Pursuant to Clause 47(f) of the Listing Agreement entered into with the Bombay Stock Exchange, the company has created an exclusive E-mail. Id : gujarat.gears@gmail.com for quick redressal of shareholders/investors grievances.
- 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.
- 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. Further, in terms of Section 149 and 160 of the Companies Act, 2013, Mr. Ravikant Tilakraj Dhawan (DIN 00101878), Mr. Rajendra Prasad Sinha (DIN 02129566) and Mr. Ankit Jain (DIN 02918898) are proposed to be re-appointed as Independent Directors. The Board of Directors of the Company recommends their respective re-appointments.
- 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 Clause 35B of the Listing Agreement, 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.
- The Board of Directors of the Company has appointed Dineshchandra Mangaldas Mehta of M/s.Dinesh Mehta & Co., Company Secretary in Practice 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.
- 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 22nd September, 2015.**
- A person, whose name is recorded in the register of members by the depositories as on the cut-off date, i.e. 22nd September, 2015 only shall be entitled to avail the facility of e-voting / Poll.**
- The e-voting facility will be available during the following period: Commencement of e-voting: From 9.00 a.m. (IST) on 26th September, 2015 End of e-voting: Up to 5.00 p.m. (IST) on 28th September, 2015**
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.
- The Scrutinizer, after scrutinising the votes cast at the meeting on poll and through e-voting will, not later than three days 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.
- Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting.
- 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**

Mr. Ravikant Tilakraj Dhawan (DIN 00101878) was appointed as an Additional Non-Executive Independent Director of the Company on 12th September, 2013. Further he was appointed as an Independent Director at the 43rd Annual General Meeting held on 20th September, 2014 by passing Ordinary Resolution whose term of office expires on this Annual General Meeting and shall be eligible for reappointed as an Independent Director. He is B.E.(Mechanical), PGDBM (Marketing) having 43 years of rich experience in the Auto and Auto Ancillary industries in India. He is Director in other Companies also.He is a chairman of Stakeholders Relationship Committee. He is a member of Audit Committee, Nomination & Remuneration Committee, CSR Committee of the Company.

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 Mr. Ravikant Tilakraj Dhawan (DIN 00101878) as an Independent Director of the Company at the ensuing Annual General Meeting.

The Company has received from Mr. Ravikant Tilakraj Dhawan (DIN 00101878) (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 he is not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

No Director, Key Managerial Personnel or their relatives, except Mr. Ravikant Tilakraj Dhawan (DIN 00101878) is directly or indirectly concerned or interested in the above resolution.

Item No.6

Mr. Rajendra Prasad Sinha (DIN 02129566) was appointed as an Additional Non-Executive Independent Director of the Company on 12th September, 2013. Further he was appointed as an Independent Director at the 43rd Annual General Meeting held on 20th September, 2014 by passing Ordinary Resolution whose term of office expires on this Annual General Meeting and shall be eligible for reappointed as an Independent Director. He is M.Sc. (Mathematics), with gold-medalist from Patna University and passed CAIB and has varied and rich experience of over 38 years in State Bank Group.



He has expertise in Corporate Finance and Management. He retired as Deputy Managing Director after successfully heading other Companies also. He is a member of Nomination & Remuneration Committee of the Company.

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 Mr. Rajendra Prasad Sinha (DIN 02129566) as an Independent Director of the Company at the ensuing Annual General Meeting.

The Company has received from Mr. Rajendra Prasad Sinha (DIN 02129566) (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 he is not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

No Director, Key Managerial Personnel or their relatives, except Mr. Rajendra Prasad Sinha (DIN 02129566) is directly or indirectly concerned or interested in the above resolution.

Item No.7

Mr. Ankit Jain (DIN 02918898) was appointed as an Additional Non-Executive Independent Director of the Company on 11th September, 2013. Further he was appointed as an Independent Director at the 43rd Annual General Meeting held on 20th September, 2014 by passing Ordinary Resolution whose term of office expires on this Annual General Meeting and shall be eligible for reappointed as an Independent Director. He is a Director at KDA Corporate Advisors Pvt Ltd and lends his unmatched business acumen and a sharp strategic vision to key corporate finance, M&A and PE projects. With more than five years of experience, he has domain expertise across Automobile, Oil & Gas, Mining and Outsourcing verticals. Prior to joining KDA Corporate Advisors, he worked with Mazars Singapore, a French consulting firm where he exhibited exceptional leadership abilities. He is a Chairman of Audit Committee and Nomination & Remuneration Committee, and member of CSR Committee and Stakeholders committee of the Company.

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 Mr. Ankit Jain (DIN 02918898) as an Independent Director of the Company at the ensuing Annual General Meeting.

The Company has received from Mr. Ankit Jain (DIN 02918898) (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 he is not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

No Director, Key Managerial Personnel or their relatives, except Mr. Ankit Jain (DIN 02918898) is directly or indirectly concerned or interested in the above resolution.

Summary of Performance Evaluation of Board:

Company has proper policy in place for evaluation of Board and that committees and Individual Directors. Following are the criteria for the performance evaluation.

1. Participation and attendance in Board and Committee Meetings actively and consistently.
2. Prepares adequately for Board and Committee Meetings.
3. Contributes to strategy and other areas impacting company's performance.
4. Brings his / her experience and credibility to bear on the critical areas of performance of the organization.
5. Keeps updated knowledge of his / her areas of expertise and other important areas.
6. Communicates in open and constructive manner.
7. Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented.
8. Helps to create brand image of the company and helps the company wherever possible to resolved issues, if any.
9. Actively contributes toward positive growth of the company.
10. Conduct him / her in a manner that is ethical and consistent with the laws of the land.

Further, evaluating performance of Mr. Ravikant Tilakraj Dhawan (DIN 00101878), Mr. Rajendra Prasad Sinha (DIN 02129566) and Mr. Ankit Jain (DIN 02918898) based on the above criteria, Board thinks it fit and proper to reappoint them as an Independent Director for the term of five consecutive years up to 28th September, 2020.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26th September, 2015 at 9:00 a.m and ends on 28th September, 2015 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 22nd September, 2015 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) • 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 Dt. of Birth 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. "22 nd September, 2015"

- (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 for the relevant i.e. 150804030 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 refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors

Dated : 13.08.2015
VIII : Billanwall, Baddi - 173205
Distt: Solan (HP)

Rajiv Aggarwal
Chairman & Managing Director



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 44th Annual Report of the Company together with the audited accounts for the Financial Year ended March 31, 2015.

1. Financial summary or highlights/Performance of the Company

FINANCIAL RESULTS:

(Rupees in lacs)

Particular	2014-2015 Rs.	2013-2014 Rs.
Operating Profit	742.81	736.76
Less : Depreciation	39.02	44.47
Total Profit for the year after depreciation but before tax	703.79	692.29
Less : Provision for taxation	231.98	228.63
Less : Provision for deferred tax assets / liabilities	3.34	-0.92
Profit after tax	475.15	464.58
Balance of profit brought forward from previous year	1564.74	1159.14
Profit available for appropriation	2039.89	1623.72
Less : Proposed dividend	12.25	10.50
Less : Tax on proposed dividend	2.51	1.78
Less : Transferred to general reserve	47.55	46.70
Less : Depreciation charged to Reserve & Surplus (P&L A/c)	4.25	—
Net profit carried forward to balance sheet	1973.33	1564.74

2. Dividend

The Directors are pleased to recommend for the approval of the shareholders a dividend at the rate of 35% per share of Rs. 2 (i.e. of Rs 0.70/- per share) each on the paid-up equity share capital of the Company with respect to the financial year 2014-2015.

3. Reserves

The Company proposes to carry Rs.2277.22 Lac to the Reserves which is left after paying dividend of Rs 12.25 Lac from net profits of Rs. 475.15 Lac.

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

Total Turn Over during the year is Rs.3049.51 Lac (Previous Year Rs. 2862.97 Lac) showing increase of 6.51% over the previous year. We have made a Profit after depreciation and interest of Rs. 703.79 Lac (Previous Year Profit of Rs. 692.29 Lac). Exports during the year were Rs. 2813.03 Lac as against Rs. 2642.12 Lac during the previous year. During the current year our export sales are 92.25% of our total sales.

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

5. Change in the nature of business, if any

There is no change in the nature of business during the financial year 2014-15.

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

No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the 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 financial control.

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, 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 2014-15.

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 2014-15:

Sr. No.	Name of Director/ Key Managerial Personnel	Designation	Category	Date of Appointment	Date of Cessation
1	Ramkisan A Devidayal [DIN: 00238853]	Non Executive Director	Independent Director	14.05.2014	08.08.2014
2	Anju Aggarwal [DIN: 00094267]	Non Executive Director	Promoter Group	31.03.2015	30.05.2015
3	Shailesh Gandhi	Chief Financial Officer	N.A.	01.02.2015	--
4	Chintan Doshi	Company Secretary	N.A.	13.03.2015	--

B) Declaration by an Independent Director(s) and re- appointment, if any.

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

The Board of Directors declare that the Independent Directors Mr. Ankit Jain, Mr. Rajendra Prasad and Mr. Ravikant Dhawan in the opinion of the Board are:

- persons of integrity and they possess relevant expertise and experience;
- not a promoter of the Company or its holding, subsidiary or associate company;
- not related to promoters or directors of the company, or its holding, subsidiary or associate company;
- 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;
- 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 –
- 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.
 - 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 firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company
 - 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;
 - hold together with their relatives two percent or more of the total voting power of the company or
 - 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.

Mr. Ankit Jain, Mr. Rajendra Prasad and Mr. Ravikant Dhawan are eligible for re-appointment at the ensuing annual general meeting.

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	No of Board Meeting Attended
Mr. Rajiv Aggarwal	Chairman & Managing Director	7/7
Mr. Ankit Jain	[Non Executive] Independent Director	7/7
Mr. Ravikan Dhawan	[Non Executive] Independent Director	5/7
Mr. Rajendra Prasad Sinha	[Non Executive] Independent Director	2/7
Mr. Ramkisan A Dayal (14.05.14 to 08.08.14)	[Non Executive] Independent Director	--
Mrs. Anju Aggarwal (31.03.15 to 30.05.15)	Non Executive Director	--

During the year from 01st April, 2014 to 31st March, 2015 the Board of Directors met seven times on 14/05/2014, 18/06/2014, 08/08/2014, 11/11/2014, 29/12/2014, 30/01/2015 and 13/03/2015.

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	4/4
Mr. Rajiv Aggarwal	Managing Director	Member	4/4
Mr. Ravikant Dhawan	[Non Executive] Independent Director	Member	3/4

During the year from 01st April, 2014 to 31st March, 2015 the Audit Committee met four times on 14/05/2014, 08/08/2014, 11/11/2014, 30/01/2015.

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	1/3
Mr. Ravikant Dhawan	[Non Executive] Independent Director	Member	2/3

The Committee met on 14/05/2014, 30/01/2015 and 13/03/2015 during the year 01st April, 2014 to 31st March, 2015.

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 and 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 30.01.2015 during the year 01st April, 2014 to 31st March, 2015.

23. 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 2014-2015:

Sr. No.	Particulars of Loan, Guarantee or investment	Amount In Rs.	Approved at Board meeting dated	% of Paid up Capital + Free reserves + Securities premium account or % 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 loan amount is Rs. 17 Crores.	Approval of loan amount up to Rs. 18 crore @ 11% p.a. by Board resolution dated 14.05.2014 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	Loan amount approved by Board is 98.81% of free reserve.	Members approved loan amount upto 50 crore by Special Resolution dated 11.02.2015 through postal ballot.	--

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

The Company has not given guarantee or made an investment during the financial year 2014-15.

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 except

- Annual general meeting was conducted at Vill. : Billanwali, Baddi-173205 District: Solan (HP) before approval form INC 22 for change of registered office.
- Form MGT-14, Form66, Form20B, Form23AC-ACA XBRL and Form DIR-12 were filed after due date with additional fee.

Explanation:

- The Regional Director [NWR], in its order dated 18.06.2014 had approved shifting of Register office of the Company in the state of Himachal Pradesh from the state of Gujarat. Thereafter Form INC 22 for change of registered was also submitted on time, but on raising of query by the ROC, Gujarat, the said Form INC 22 could not be re-submitted due to technical error and the ROC office, Gujarat was also approached to resolve the matter. As per the verbal advice from the ROC, Gujarat



office, the Form INC 28 was filed again to resolve the matter, but after approval of Form INC 28 second time, the Form INC 22 could not be uploaded for the reason showing invalid SRN of form INC 28. Thereafter form 22 was filed, but was not approved due to technical error by the ROC Office, Gujarat. However, with the expectation that certificate for change of registered office by ROC, Gujarat would be issued before the date of AGM, the annual general meeting was conducted at Village Billanwali, Baddi-173205 District: Solan (Himachal Pradesh).

- ii. The issuance of certificate for change of registered office of the Company from Gujarat to Himachal Pradesh was pending with the ROC, Gujarat. However, the Regional Director [NWR], in its order dated 18.06.2014 had already approved shifting of Register office of the Company in the state of Himachal Pradesh from the state of Gujarat, and filing of above mentioned forms could create technical error due to the pendency of issue with ROC, Gujarat and therefore Company decided to file above mentioned forms after the issuance of Certificate for change of registered office of the Company, and therefore Form MGT-14, Form66, Form20B, Form23AC-ACA XBRL and Form DIR-12 were filed after the due date with additional fees.

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 2014, and therefore, the amended clause 49 relating to Corporate Governance of the listing agreement with Bombay Stock Exchange is not applicable to Company as per the circular no. CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 of the Securities and Exchange Board of India.

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 state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) 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) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) 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 in place an anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been set up to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman & Managing Director. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2014-15 and hence no complaint is outstanding as on 31.03.2015 for redressal.

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 : 13.08.2015
Vill. : Billanwali, Baddi – 173205
Distt: Solan (HP)

Rajiv Aggarwal
Chairman & Managing Director

Annexure - A

Form No MGT 9

Extract of Annual Return as on the financial year ended on 31.03.2015
[Pursuant to section 92(3) of Companies Act 2013 and rule 12(1) of the Companies
(Management and Administration) Rule, 2014]

I Registration and other details:

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

II Principal Business activities of the Company.

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

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

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

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

1) Category wise Share holding

Category of Shareholders	No. of shares held at the beginning of the year i.e. on 01.04.2014				No. of shares held at the beginning of the year i.e. on 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters.									
1. Indian									
a. Individual / HUF	88000	-	88000	5.03	173655	-	173655	9.92	4.89
b. Central Government	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	1015970	-	1015970	58.05	1000803	-	1000803	57.19	-0.86
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (1) :-	1103970	-	1103970	63.08	1174458	-	1174458	67.11	4.03
2. Foreign	NA	-	-	-	-	-	-	-	-
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)	1103970	-	1103970	63.08	1174458	-	1174458	67.11	4.03



Category of Shareholders	No. of shares held at the beginning of the year i.e. on 01.04.2014				No. of shares held at the beginning of the year i.e. on 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public shareholding									
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 Funs	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
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	24856	500	25356	1.45	59795	500	60295	3.45	2
ii) overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh.	208945	136600	345545	19.75	369405	118605	488010	27.88	8.13
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	266150	-	266150	15.21	-	-	-	-	-15.21
c) others (HUF and NRI)	6229	-	6229	0.35	24487	-	24487	1.4	1.05
Sub - total (B)(2) :-	506180	137100	643280	36.76	453687	119105	572792	32.73	-4.03
Total Public Shareholding (B) = (B)(1) + (B)(2)	506180	139850	646030	36.92	453687	121855	575542	32.89	-4.03
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	1610150	139850	1750000	100	1628145	121855	1750000	100	-

ii) Shareholding of Promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year i.e. on 01.04.2014			Share holding at the end of the year i.e. on 31.03.2015			% 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	43750	2.5	-	44680	2.55	-	0.05
2	Asha Aggarwal	43750	2.5	-	64630	3.69	-	1.19
3	Him Teknoforge Ltd	740970	42.34	-	725803	41.47	-	-0.87
4	Globe Precision Industries Pvt Ltd	275000	15.71	-	275000	15.71	-	0.00
5	Rajiv Aggarwal	500	0.03	-	8740	0.50	-	0.47
6	Vijay Aggarwal	-	-	-	15721	0.90	-	0.90
7	Urmil Aggarwal	-	-	-	11600	0.66	-	0.66
8	Nitin Aggarwal	-	-	-	9021	0.52	-	0.52
9	Anju Aggarwal	-	-	-	7821	0.45	-	0.45
10	Ankur Aggarwal	-	-	-	9221	0.53	-	0.53
11	Manan Aggarwal	-	-	-	2221	0.13	-	0.13
	Total	1103970	63.08	-	1174458	67.11	-	4.03

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Name of the Promoter	Date Increase/ Decrease in shareholdings	Shareholding at the beginning of the year i.e. on 01.04.2014		Cumulative Shareholding during the year	
			No. of shares Increase/ Decrease	% of total shares of the Company	No of shares	% of total shares of the Company
1	Vinod Aggarwal	01.04.2014	43750	2.5	43750	2.5
		02.09.2014	930	0.05	44680	2.55
2	Asha Aggarwal	01.04.2014	43750	2.5	43750	2.5
		01.09.2014	10000	0.57	53750	3.07
		02.09.2014	630	0.036	54380	3.11
		11.09.2014	8750	0.50	63130	3.61
		25.09.2014	1500	0.09	64630	3.69
3	Him Teknoforge Ltd	01.04.2014	740970	42.34	740970	42.34
		09.07.2014	-2467	-0.14	738503	42.2
		23.07.2014	-6000	-0.34	732503	41.86
		08.08.2014	-3500	-0.2	729003	41.66
4	Globe Precision Industries Pvt Ltd	01.04.2014	275000	15.71	275000	15.71
		11.08.2014	-3200	-0.18	725803	41.47
5	Rajiv Aggarwal	01.04.2014	500	0.03	500	0.03
		21.08.2014	5000	0.29	5500	0.31
		25.08.2014	1200	0.07	6700	0.38
		02.09.2014	1940	0.11	8640	0.49
		25.09.2014	100	0.01	8740	0.50
6	Vijay Aggarwal	01.04.2014	0	0	0	0.00
		14.08.2014	21	0.001	21	0.001
		26.08.2014	6000	0.34	6021	0.34
		27.08.2014	5000	0.29	11021	0.63
7	Urmil Aggarwal	28.08.2014	4700	0.27	15721	0.90
		01.04.2014	0	0	0	0.00
		13.08.2014	5000	0.29	5000	0.29
		14.08.2014	5000	0.29	10000	0.57
		28.08.2014	1600	0.09	11600	0.66
8	Nitin Aggarwal	01.04.2014	0	0.00	0	0.00
		14.08.2014	21	0.001	21	0.001
		15.09.2014	8500	0.49	8521	0.49
		18.09.2014	500	0.03	9021	0.52
9	Anju Aggarwal	01.04.2014	0	0	0	0.00
		14.08.2014	21	0.001	21	0.001
		28.08.2014	1500	0.09	1521	0.09
		25.09.2014	300	0.02	1821	0.10
		02.09.2014	6000	0.34	7821	0.45
10	Ankur Aggarwal	01.04.2014	0	0.00	0	0.00
		14.08.2014	21	0.001	21	0.001
		18.09.2014	4200	0.24	9221	0.53
11	Manan Aggarwal	01.04.2014	0	0	0	0.00
		14.08.2014	21	0.001	21	0.001
		28.08.2014	2200	0.126	2221	0.13
			1174458	67.11		

Note : There is no change in holding of Globe Precision Industries Private Limited during the year.



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

Sr. No.	Name of the top 10 Shareholders	Shareholding at the beginning of the year i.e. on 01.04.2014		Shareholding at the end of the year i.e. on 31.03.2015	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Naresh Kothari	266150	15.21	-	-
2	Arcadia Share & Stock brokers Pvt Ltd	5991	0.34	1050	0.06
3	Maharajkumar R Singh	5000	0.29	5000	0.29
4	Bhogilal Kothari/ Ramagauri B Kothari	5000	0.29	5000	0.29
5	Deepeak Arora	4995	0.29	3996	0.23
6	Premchand Zambad	4625	0.26	4650	0.27
7	Sankar San Sahu	4385	0.25	5189	0.30
8	Sobhna Pancholi	3750	0.21	3750	0.21
9	Tejraj Kothari	3664	0.21	3867	0.22
10	Sushma Kapoor	3250	0.19	3250	0.19
11	A C Aggarwal Share Broker Private Limited	--	--	16719	0.96
12	Neelam Mittal	--	--	7598	0.43
13	Sundaresan Kannan	--	--	7000	0.40
14	Bhaumik S Katudia	--	--	7000	0.40
15	R Chandra Mauli	--	--	5000	0.29
16	Kapil Kumar Aggarwal	--	--	4999	0.29
17	Surekha Mukesh Shah	--	--	4957	0.28

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 01.04.2014		Shareholding at the end of year i.e. on 31.03.2015	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Rajiv Aggarwal	500	0.03	8740	0.50*
2	Anju Aggarwal	-	-	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.

	Indebtedness at the beginning of the financial year i.e. on 01.04.2014	Secured Loans excluding deposits	Unsecured loan	Deposits	Total indebtedness
i)	Principal Amount	-	-	-	-
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
Total (i+ii+iii)					
Change in indebtedness during the financial year					
	Addition	67449820	-	-	67449820
	Reduction	-	-	-	-
Net Change		67449820			67449820
Indebtedness at the end of the financial year i.e. on 31.03.2015					
i)	Principal Amount	67449820	-	-	67449820
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	358356	-	-	358356
Total (i+ii+iii)		67808176			67808176

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	
1	Gross Annual Salary	2416500	2416500
	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)	2416500	2416500
	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	6000	15000	21000	42000
Commission	-	-	-	-
Others, Please Specify	-	-	-	-
Total (1)	6000	15000	21000	42000
2. Other Non Executive Directors.				
	Anju Aggarwal			
Fees for attending board committee meetings	-	-	-	-
Commission	-	-	-	-
Others, Please Specify	-	-	-	-
Total (2)				
Total (B)=(1+2)	6000	15000	21000	42000

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

Sl No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary [13.03.2015-31.03.2015]	CFO [01.02.2015-31.03.2015]	
1	Gross Annual Salary			
	(a) Salary as per provisions contained in Sec 17(1) of the Income tax Act 1961.	13548	49250	62798
	(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	13548	49250	62798

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 N.A
 - (ii) The steps taken by the Company for utilizing alternate sources of energy N.A
 - (iii) The capital investment on energy conservation equipments N.A
- (B) Technology absorption:
- (i) Efforts, in brief, made towards technology absorption NA
 - (ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. NA
 - (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. NA
 - (iv) The Expenditure incurred on Research and Development NA
- (C) Foreign exchange earnings and Outgo

Particulars	Amount(In Rs)
Foreign Exchange earned in terms of actual inflows during the year	Rs.2925.01 Lac P.Y.(Rs.2769.22 Lac)
Foreign Exchange outgo during the year in terms of actual outflows	Rs.159.21 Lac P.Y (Rs.123.04 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	2/2
Mr. Rajiv Aggarwal	Managing Director	Member	2/2
Mr. Ravikant Tilakraj Dhawan	Non-Executive Independent Director	Member	2/2

Committee met on 11.11.2014 and 30.01.2015, during the year 01st April, 2014 to 31st March, 2015.

Details about CSR Expenditure.

Sr. No	Particulars	Amount (Rs)
1.	Average Net Profit of the Company for last three Financial Years.	6,21,19,791
2.	CSR Expenditure required to incurred	12,42,395
3.	Total Amount spent for the during the year	5,10,560
4.	Amount Unspent*	7,31,835

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)	Amount spent on projects or programs	Cumulative expense upto the reporting period	Amount spent Direct or through implementing Agency
1.	a. Promoting preventive health care and Promoting Education and vocational skill	Local Area, Vadodara, Gujarat	Health care and Education Development	12.50 Lac	5,10,560	5,10,560	Amount of Rs.5 lac spent through Shram Mandir Trust Singhrot - 391330 Dist: Vadodara, Gujarat. Amount of Rs.10,560, spent directly by the Company.

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

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

Sd/-
Mr. Rajiv Aggarwal
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:

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

i)	Name of the related party :	HIM Teknoforge Limited	
	Nature of Relationship :	Mr. Rajiv Aggarwal, Managing Director of the Company is a Director of HIM Teknoforge Limited and Mr. Vijay Aggarwal, relative of Mr. Rajiv Aggarwal is a Managing Director of the said Company.	
ii)	Nature of Contract:	Purchase and sale of Material	
iii)	Date of approval by Board and Duration of Contract.	Date of Approval by Board	Duration of Contract
		14.05.2014	1 year [14.05.2014 to 13.05.2015]
iv)	Salient terms of contracts or arrangements :	Purchase of raw material by the Company on 30 days credit terms.	
	Value of transaction undertaken during the year.	1. Purchase of Material : Rs. 29,927,825 2. Sales of Material : Rs. 291,074	
vi)	Amount paid in advance, if any :	No advanced is paid.	

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

By Order of the Board of Directors

Rajiv Aggarwal
Chairman & Managing Director



ANNEXURE - E

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

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15	Name of the Director	Ratio to mean remuneration	
		Mr. Rajiv Aggarwal. [Managing Director]	13.07	
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2014-15 compared to 2013-14	Note : 1		
(iii)	Percentage increase in the median remuneration of employees in the financial year 2014-15 compared to 2013-14	4.62%		
(iv)	Number of permanent employees on the rolls of the company	As on 31.03.2015	As on 31.03.2014	
		20	19	
(v)	Explanation on the relationship between average increase in remuneration and the company performance.	The Company's profit after tax increased by 2.28% during the year while the increase in median remuneration was 4.62% only. And increase in remuneration is not base on performance of the Company.		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Name of the Key Managerial Personnel.		
		1. Mr. Rajiv Aggarwal. [Managing Director] 2. Mr. Shailesh Gandhi [Chief Financial Officer] 3. Mr. Chintan Doshi [Company Secretary]		
(vii)	Variation in	Details		
		Market Capitalization	31.03.2015 Rs. 34.44 crores	31.03.2014 Rs. 35.53 crores
		Price Earning Ratio	7.24	7.65
		Percentage Increase/decrease of market quotations of shares in comparison to rate at which the Company came out with the last Public Offer. (Note :2)	9740%	--
		Net worth of the Company	Rs. 23.12 crores	Rs. 18.56 crores
(viii)	Average percentage increase in salaries of Employees other than managerial personnel in the last financial year.	6.43%		
	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		
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Name of Key Managerial personnel	Remuneration 14-15 V/s. 13-14 (%)	
		Mr. Rajiv Aggarwal	Note:1	
		*Mr. Shailesh Gandhi		
		**Mr. Chintan Doshi		
	*Appointed on 01.02.2015 **Appointed on 13.03.2015			
(x)	Key parameter for any variable component of remuneration availed by the Directors	No		
(xi)	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: Detail is not given, as such Mr. Rajiv Aggarwal, Managing Director of the Company has received remuneration from 01.04.2014, further appointment of Mr. Shailesh Gandhi, Chief Financial Officer & Mr. Chintan Doshi, Company Secretary made on 01.02.2015 and 13.03.2015, respectively.

Note 2: Company had came out with initial Public Offer in the year of 1972 at Rs.10/- each, subsequently in the February, 2014 the face value of share divided into Rs/- 2 each by way of special resolution.

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

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

ANNEXURE - F

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 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
VIII. : 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 Limited (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, 2015 (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, 2015 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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)
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the audit period)
 - 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)
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
 - 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;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the audit period) and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the audit period)
- As informed to us the following other laws specifically applicable to the company are as under:
 - The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 - The Factories Act, 1948
 - The Industrial Employment (Standing Orders) Act, 1946
 - The Maternity Benefit Act, 1961
 - The Minimum Wages Act, 1948
 - The Payment of Wages Act, 1936
 - The Negotiable Instruments Act, 1881



9. The Payment of Gratuity act,1972
10. The Workmen's Compensation Act,1922
11. The Contract Labour (Regulation & Abolition) Act,1970
12. The Industrial dispute Act,1947
13. The Payment of Bonus Act,1965
14. The Employment Exchange Act,1959
15. The Apprentice Act,1961
16. The Equal Remuneration Act, 1976
17. The Employees' State Insurance Act, 1948
18. 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. (Not notified hence not 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 subject to the following observations:

- i. Annual general meeting was conducted at Village Billanwali, Baddi-173205 District: Solan (Himachal Pradesh) before approval form INC 22 for change of registered office.

We were informed by the officials of the Company that the Regional Director, North West Region, Ahmedabad had passed order dated 18th June,2014 for shifting the registered office from the state of Gujarat to the State of Himachal Pradesh and Form INC 22 for change of registered was also submitted on time, but on raising of query by the ROC, Gujarat, the said Form INC 22 could not be re-submitted due to technical error and the ROC office, Gujarat was also approached to resolve the matter. As per the verbal advice from the ROC, Gujarat office, the Form INC 28 was filed again to resolve the matter, but after approval of Form INC 28 second time, the Form INC 22 could not be uploaded for the reason showing invalid SRN of form INC 28. Thereafter form 22 was filed, but was not approved due to technical error by the ROC Office, Gujarat. However, with the expectation that certificate for change of registered office by ROC, Gujarat will be issued before the date of AGM, the annual general meeting was conducted at Village Billanwali, Baddi-173205 District: Solan (Himachal Pradesh). The aforesaid form 22 after many efforts was approved by the ROC, Gujarat in March, 2015.

- ii. Form MGT-14, Form66, Form20B, Form23AC-ACA XBRL and Form DIR-12 were filed after due date with additional fee.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. 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.

We further report that during the audit period the:

- i. company is under process of amalgamation with Him Teknoforge Ltd. (i.e. Him Teknoforge Ltd. will amalgamate / merge with Gujarat Automotive Gears Limited) and
- ii. the registered office of the company has been shifted from Gujarat to Himachal Pradesh.

For Dinesh Mehta & CO.
Company Secretaries

Dinesh Mehta
Proprietor
C.P.No.2127

Place: VADODARA
Date: 18/06/2015

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, 2015 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2015', 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 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, the Statement of Profit and Loss and the 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 the Act, 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, 2015 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) 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:
 - 1. The Company does not have any pending litigations that will affect the financial position of the Company.
 - 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

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

**Arati Parmar
Partner
Membership No: 102888**

**Place: Mumbai
Date: 30.05.2015**

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of GUJARAT AUTOMOTIVE GEARS LIMITED for the year ended March 31, 2015

- 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, all fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted an unsecured loan to a Company covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
 - (a) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
 - (b) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and

- according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 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.
- 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) According to the information and explanations given to us and on the basis of records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise duty, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of Income Tax, Sales Tax, Wealth Tax, service tax, duty of custom, duty of excise duty, value added tax and cess that have not been deposited with appropriate authorities on account of any dispute.
- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in immediately preceding financial year.
- ix. 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.
- x. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xi. The Company has taken term loan during the year. The term loan was applied for the purpose for which it has been taken.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

**Arati Parmar
Partner
Membership No: 102888**

**Place: Mumbai
Date: 30.05.2015**



BALANCE SHEET AS AT 31.03.2015

(Amount in Rs)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	3,500,000	3,500,000
Reserves and Surplus	3	227,722,314	182,108,016
Non-Current Liabilities			
Long-term borrowings	4	47,200,000	-
Deferred tax liabilities (net)		1,774,160	2,108,637
Long term provisions	5	199,339	68,593
Current Liabilities			
Short-term borrowings	6	7,449,820	-
Trade payables (Refer Note No.35)		30,915,056	45,116,863
Other current liabilities	7	17,431,979	5,874,641
Short-term provisions	8	1,526,231	1,975,812
Total		337,718,899	240,752,562
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	26,117,557	30,329,509
Intangible assets	9	-	-
Capital work-in-progress		-	80,927
Long term loans and advances	10	193,533,041	112,604,166
Current assets			
Inventories	11	39,377,237	31,060,201
Trade receivables	12	47,020,500	51,566,440
Cash and Bank balances	13	16,177,495	10,934,839
Short-term loans and advances	14	700,466	1,297,614
Other current assets	15	14,792,602	2,878,866
Total		337,718,899	240,752,562
Summary of Significant Accounting Policies	1		

The accompanying notes are integral part of the financial statements

For Kanu Doshi Associates

Chartered Accountants
FRN: 104746WArati Parmar
Partner
M.No. 102888Place:- Mumbai
Date :- 30.05.2015Shailesh Gandhi
Chief Financial OfficerChintan Doshi
Company SecretaryPlace:- Baddi
Date :- 30.05.2015

On behalf of the Board

Rajiv Aggarwal
Managing DirectorRavikant Dhawan
Director

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2015

(Amount in Rs)

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Revenue from operations (Gross)	16	322,640,507	299,343,621
Less: Excise Duty		17,689,970	13,046,342
Revenue from operations (Net)		304,950,537	286,297,279
Other Income	17	16,013,307	13,511,886
Total Revenue		320,963,844	299,809,165
Expenses :			
Cost of materials consumed	18	177,683,999	159,771,241
Changes in inventories of finished goods and semi finished goods	19	(1,476,702)	(5,165,822)
Employee benefits expense	20	18,411,843	22,235,861
Financial costs	21	2,461,442	331,541
Depreciation and amortization expenses	9	3,902,174	4,446,996
Other expenses	22	49,602,097	48,960,779
Total Expenses		250,584,852	230,580,596
Profit before exceptional items and tax		70,378,992	69,228,569
Profit before tax		70,378,992	69,228,569
Tax expense:			
Current tax		23,202,785	22,732,343
Deferred tax (credit)/ expense		(334,476)	(92,385)
Earlier years tax adjustments		(4,500)	130,544
Profit/(Loss) for the period		47,515,183	46,458,067
Earning per equity share:			
Basic	27	27.15	26.55
Diluted		27.15	26.55
Summary of Significant Accounting Policies	1		

The accompanying notes are integral part of the financial statements

For Kanu Doshi Associates

Chartered Accountants
FRN: 104746WArati Parmar
Partner
M.No. 102888Place:- Mumbai
Date :- 30.05.2015Shailesh Gandhi
Chief Financial OfficerChintan Doshi
Company SecretaryPlace:- Baddi
Date :- 30.05.2015

On behalf of the Board

Rajiv Aggarwal
Managing DirectorRavikant Dhawan
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

(Amount in Rs)

Particulars	31.03.2015	31.03.2014
Net Profit before Tax	70,378,992	69,228,569
Adjustment for		
Depreciation	3,902,174	4,446,996
Interest Expenses	2,461,442	331,541
(Profit)/loss on sale of fixed assets	(106,975)	3,081,624
Interest income	(15,907,274)	(6,504,491)
Changes in foreign exchange	-	1,873,679
Operating profit before working capital changes	60,728,359	72,457,918
Adjustment for		
Sundry Debtors	4,545,940	(12,462,515)
Loans & Advances	(331,727)	(5,927,847)
Inventories	(8,317,036)	(1,899,814)
Trade and Other Liabilities and Provisions	(15,323,213)	11,382,420
Total	(19,426,036)	(8,907,756)
Cash Generated from operations	41,302,323	63,550,162
Direct taxes paid	(23,997,345)	(22,303,898)
Net Cash Flow from Operating Activities	17,304,978	41,246,264
Cash flow from Investing Activities		
Purchase of fixed assets including WIP	(34,423)	(3,196,348)
Sale of fixed assets	106,975	1,246,699
Inter corporate Deposit given	(80,000,000)	(90,000,000)
Interest received	3,993,538	3,625,625
Decrease/(Increase) in Fixed Deposit with banks	(3,470,000)	46,977,572
Net cash used in investing activities	(79,403,910)	(41,346,452)
Cash flow from financing activities		
Increase/(Decrease) in working capital facilities	7,449,820	-
Repayment on long term borrowings (Net)	-	(2,786,730)
Increase in long term loans	60,000,000	-
Proceeds/Repayment of unsecured loan	-	-
Dividend paid (Including Dividend distribution tax)	(1,172,619)	(1,255,189)
Interest paid	(2,461,442)	(331,541)
Net cash used in financing activities	63,815,759	(4,373,460)
Net (decrease)/increase in cash and cash equivalents	1,716,828	(4,473,647)
Opening Cash and cash equivalent	4,237,927	8,711,574
Closing Cash and cash equivalent	5,954,755	4,237,927

For Kanu Doshi Associates
Chartered Accountants
FRN: 104746W

Arati Parmar
Partner
M.No. 102888

Place:- Mumbai
Date :- 30.05.2015

Shailesh Gandhi
Chief Financial Officer

Chintan Doshi
Company Secretary

Place:- Baddi
Date :- 30.05.2015

On behalf of the Board

Rajiv Aggarwal
Managing Director

Ravikant Dhawan
Director

1. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1A Company Background

Gujarat Automotive Gears Limited (GAGL) was established in 1973 at Baroda, India for the manufacture of Auto and Tractor components. Marketed under the brand names of KAG, these components serve the aftermarket and OEM's in India. 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 financial statements have been prepared in compliance with all material aspects with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry Of Corporate Affairs in respect of section 133 of Companies Act, 2013. Financial statements are based on historical cost and are prepared on accrual basis except otherwise stated.

(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 company act 2013.

(v) Impairment

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

(vi) Intangible Assets & Amortisation

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

Software is amortised over a period of three years using straight lines basis.

(vii) Borrowing Cost

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

(viii) Inventories

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

Work-in-progress 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, 2015

(Amount in Rs.)

2 Share Capital

Particulars	As at 31st March, 2015	As at 31st March, 2014
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 30/05/2015.

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, 2015	As at 31st March, 2014
In Equity Shares		
HIM Teknoforge Limited		
No. of Shares (Equity shares of Rs 2 each)	725,803	740,970
% holding in the class	41.47%	42.34%
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%
Naresh Kothari		
No. of Shares (Equity shares of Rs 2 each)	-	266,150
% holding in the class	-	15.21%



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

3 Reserves & Surplus (Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
General Reserve		
As per Last Balance Sheet	25,633,943	20,964,406
Add : Transferred from Profit and Loss Account	4,755,292	4,669,537
Closing Balance	30,389,235	25,633,943
Balance In Profit & Loss Account		
As per Last Balance Sheet	156,474,073	115,913,992
Profit for the year	47,515,183	46,458,067
Less : Transfer to General Reserve	4,755,292	4,669,537
Less : Proposed Dividend	1,225,000	1,050,000
Less : Tax on Proposed Dividend	250,758	178,448
Less : Depreciation charged to Reserve & Surplus (P&L A/c)	425,127	-
Net Surplus in profit and Loss account	197,333,079	156,474,073
TOTAL	227,722,314	182,106,016

4 Long Term Borrowing (Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured Term Loan Form Bank		
SIDBI	47,200,000	-
TOTAL	47,200,000	-

First charge by way of mortgage all the Immovable properties (factory land & bulding) of the company situated at village kalali, Baroda & also covered by personal guarantee of Mr.Rajiv aggarwal.Interest Charged @ 12 % P.A. & Repayment will start from june -2015 of Rs 12,80,000/- P.M.

5 Long Term Provisions (Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unfunded		
For Leave Encashment	199,339	68,593
TOTAL	199,339	68,593

6 Short Term Borrowing (Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured:		
Packing Credit from SBI	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	7,449,820	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

7 Other Current Liabilities (Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Secured:		
Current maturities of long term loans (Refer note.4A)	12,800,000	-
Unpaid dividends	2,722,741	2,666,912
Advance from customers	969,972	2,517,587
Statutory dues Payable	580,910	690,142
Interest accrued but not due	358,356	-
	17,431,979	5,874,641

8 Short Term Provisions (Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits-Unfunded		
For Leave Encashment	116,320	22,865
For Bonus	174,223	165,510
Others		
For Proposed Dividend	1,225,000	1,050,000
For Current Tax (net)	(240,070)	558,989
For Tax on Proposed Dividend	250,758	178,448
	1,526,231	1,975,812

9 FIXED ASSETS (Amount in Rs.)

PARTICULARS	Gross Block			Depreciation & Amortisation				Net Block		
	As at 01.04.2014	Addition during the year	Deduction during the year	As at 31.03.2015	Upto 31.03.2014	Adj.on A/c of Sales of Assets	Provided for the year	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
LAND & BUILDING										
Land	52001	0	0	52001	0	0	0	0	52001	52001
Factory Building	4523604	0	0	4523604	1065077	0	149816	1214893	3308711	3458527
Other Civil Construction	992737	0	0	992737	303088	0	39149	342237	650500	689649
Road and Service	63308	0	0	63308	55890	0	7417	63308	0	7418
Tube Well	26316	0	0	26316	16546	0	9770	26316	0	9770
FURNITURE & FIXTURE										
Furniture, Fixture, Fittings	249594	0	0	249594	185088	0	54366	239454	10140	64506
PLANT & MACHINERY										
Plant and machinery	47199596	101750	424260	46877086	29406053	424260	1578549	30560342	16316744	17793543
Laboratory Equipment	0	0	0	0	0	0	0	0	0	0
Electrical installation	1634059	0	0	1634059	745700	0	140206	885906	748153	888359
Air conditioner & water cooler	722436	0	0	722436	456573	0	231807	688380	34056	265863
Factory Equipment	68493	0	0	68493	65495	0	2998	68493	0	2998
Office Equipment	525936	0	0	525936	64678	0	201877	266555	259381	461258
Vehicle	6652452	0	0	6652452	2862033	0	1554908	4416941	2235511	3790419
Tempo	1073021	0	0	1073021	515690	0	124053	639743	433278	557331
Computer	841994	13600	0	855594	724024	0	74083	798107	57487	117970
Meserment Instrument	4050622	0	0	4050622	1880729	0	158300	2039025	2011597	2169897
D.G.Generator	903752	0	0	903752	903752	0	0	903752	0	0
INTANGIBLE ASSETS										
Computer Software	140400	0	0	140400	140400	0	0	140400	0	0
TOTAL	69720321	115350	424260	69411411	39390812	424260	4327301	43293854	28117557	30329509
PREVIOUS YEAR TOTAL	72237475	3115421	5632575	69720321	36248068	1304252	4446996	39390812	30329509	35989407



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

10 Long Term Loans And Advances

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured considered good		
Security Deposits	621,705	715,205
Deposit Other than Banks	170,000,000	90,000,000
Refund receivable from Govt.authority	22,911,336	21,888,961
Advance income tax (net of provision)		
	193,533,041	112,604,166

11 Inventories

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Raw Material	1,321,491	1,952,807
Work - In - Process	11,881,270	15,409,752
Finished Goods	2,511,669	4,347,131
Goods in Transit	10,295,554	3,786,920
Raw Material Components	11,340,397	4,075,604
Stores and Spares parts and packing Material	1,426,614	1,219,757
Scrap	600,242	268,230
	39,377,237	31,060,201

12 Trade Receivables

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
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)	46,921,260	51,566,440
	47,020,500	51,566,440

13 Cash and Bank Balances

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Cash & Cash Equivalents		
Balances with Banks :		
Current Accounts	5,907,930	4,206,246
Cash on hand	2,943	31,681
Cash In Foreign Currenecy	43,882	-
Other Bank Balances		
Dividend Accounts	2,722,741	2,666,912
Term Deposits	7,500,000	4,030,000
Margin Money Rs 75,00,000 (P.Y.40,30,000) (Against Short term Borrowing)		
	16,177,495	10,934,839

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

14 Short Term Loans and Advances

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unsecured considered good		
Advance to Creditors	319,039	1,112,615
Advances recoverable in cash or in kind	381,427	184,999
TOTAL	700,466	1,297,614

15 Other Current Assets

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Interest Accrued but not due	13,469,027	2,878,866
Trade Receivable (forward Cover)	1,323,575	-
TOTAL	14,792,602	2,878,866

16 Revenue from operations

(Amount in Rs.)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Sale of Products	313,997,903	296,930,041
Processing Charges	825,760	396,056
Other operating revenues		
Scrap Sales	798,426	2,017,524
Export benefit Received	7,018,418	-
Revenue from operations (Gross)	322,640,507	299,343,621
Less : Excise Duty	17,689,970	13,046,342
Revenue from operations (Net)	304,950,537	286,297,279

17 Other Income

(Amount in Rs.)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Interest Income from ICD	14,273,933	6,504,491
Interest Income from Fixed Deposit	1,489,764	-
Interest Income from Others	143,577	-
Other Miscellaneous Income	(941)	-
Foreign exchange Fluctuation	-	7,007,395
Profit/(Loss) on sale/discard of fixed assets	106,975	-
TOTAL	16,013,307	13,511,886



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

18 Cost of raw materials and components consumed

(Amount in Rs.)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Raw Material-Steel & others		
Opening stock	1,952,807	1,295,412
Add: purchases during the year	75,018,254	75,904,926
less: closing stock	(1,321,491)	(1,952,807)
	75,649,570	75,247,531
Raw Material Component		
Opening stock	4,075,604	7,561,927
Add: purchases during the year	95,693,364	68,757,466
less: closing stock	(11,340,397)	(4,075,604)
	88,428,571	72,243,789
Packing Materials		
Opening stock	196,705	303,681
Add: purchases during the year	13,787,832	12,172,945
less: closing stock	(378,679)	(196,705)
	13,605,858	12,279,921
TOTAL	177,683,999	159,771,241

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

(Amount in Rs.)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Opening Stock		
Finished Goods	4,347,131	5,707,885
Goods In Transit	3,786,920	-
Semi Finished Goods (WIP)	15,409,752	11,630,418
Scrap	268,230	1,307,908
Total	23,812,033	18,646,211
Closing 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
	25,288,735	23,812,033
Increase/(Decrease)	1,476,702	5,165,822

20 Employee benefits expense

(Amount in Rs.)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Salaries and Wages (Including Bonus and Gratuity, leave encashment)	18,013,435	21,714,503
Contribution to Provident and other Funds	364,372	354,460
Workmen and Staff Welfare Expenses	34,036	166,898
TOTAL	18,411,843	22,235,861

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

21 Finance Costs

(Amount in Rs.)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Interest to banks	1,234,494	238,734
Interest -Others	-	92,807
Interest -Term loan (SIDBI)	1,226,948	-
TOTAL	2,461,442	331,541

22 Other expenses

(Amount in Rs.)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Foreign exchange Fluctuation	2,348,191	-
Power & Fuel	4,602,867	4,013,434
Freight Inward and Octroi	1,910,860	1,896,684
Consumption of Stores and Spares	5,811,927	4,523,122
Processing Charges	11,253,035	10,227,652
Excise Duty on finished goods (net)	(161,938)	(264,056)
Repairs and Maintenance		
Buildings	2,224	500,001
Plant and Machinery	1,892,812	3,962,560
Others	266,929	131,643
Fumigation Charges	-	252,980
Director Sitting Fees	42,000	69,000
Laboratory Charges	15,105	17,020
Payment of Government Duties	2,016,587	1,561,118
Insurance	2,138,872	1,997,719
Rates and Taxes	287,604	281,591
Travelling and conveyance	2,392,006	3,934,061
Advertisement and Sales Promotion	98,321	1,285,497
Postage, telephone and Communication expenses	304,051	378,534
Printing and Stationery	265,092	361,355
Freight Outward	5,634,725	4,767,341
Commission and Discount	1,061,636	1,405,238
Loss on sale / discard of Fixed Assets	-	3,081,624
Vehicle Running and maintenance	2,023,687	1,689,940
Legal and Professional fees	3,144,007	1,834,534
Fees & Subscription	517,777	394,727
CSR Expenses	510,560	-
Bank Charges	1,223,160	537,460
Rent	-	120,000
TOTAL	49,602,097	48,960,779

23 Contingent liability and Commitments

(Amount in Rs.)

Contingent liability not provided for:	31.3.2015	31.3.2014
Bank Guarantee	-	26,495
Disputed Income tax Liabilities	95,679	95,679



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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	31.3.2015	31.3.2014
USA	10,975,572	4,614,356
Europe	239,003,880	232,369,475
Gulf Countries	31,323,467	27,227,903
Others	15,005,014	19,671,965
Total	296,307,933	283,883,699

Other income is generated only in India. All assets of the company except the debtors of Rs.46,759,736/- (P.Y. Rs.48,721,991/-) are within India.

26 The break up of deferred tax assets and liabilities is as under: (Amount in Rs.)

Deferred Tax:	As on 1.4.2014	Current Year	As on 31.3.2015
Deferred Tax Assets on Account of			
(i) Employee Benefit	29,674	72,742	102,416
Total	29,674	72,742	102,416
Deferred Tax Liability on Account of			
(i) Depreciation	2,138,309	(261,734)	1,876,575
Total	2,138,309	(261,734)	1,876,575
Net Deferred Tax Assets/(Liability)	(2,108,635)	334,476	(1,774,159)

27 Earning per Share (Amount in Rs.)

Particulars	31.03.2015	31.03.2014
Profit after tax	47,515,183	46,458,067
No. of shares	1,750,000	1,750,000
Nominal value per share in rupees	2	2
Basic and diluted earning per share	27.15	26.55

26 Related Party Disclosures (Amount in Rs.)

Key Management Personnel	31.03.2015	31.03.2014
Payment of Managerial Remuneration		
Mr. Rajiv Aggarwal, Managing Director	2,416,500	
Mr. Naresh Kothari, Managing Director (Till 12.09.13)	-	8,440,002
Mr. Niranjana P Unadkat, Whole Time Director (Till 12.09.13)	-	5,485,248
Other : Relative of Key Management Personnel		
Payment of Sitting Fees		
Smt Tejas Kothari, Director	-	9,000
Enterprise having significant influence		
HIM Teknoforge Limited		
Purchase of material	29,927,825	7,913,329
Sales Of Material	291,074	-
Inter Corporate deposit Given	17,00,00,000	90,000,000
Interest on deposit receivable	14,273,933	2,878,866

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

28 Related Party Disclosures (Contd..) (Amount in Rs.)

	31.03.2015	31.03.2014
Balance Outstanding		
Mr.Rajiv Aggarwal, Managing Director (Remuneration payable)	200,000	-
HIM Teknoforge Limited		
ICD Receivable	17,00,00,000	90,000,000
Interest Receivable	12,846,540	2,878,866
Payable against Purchases	592,936	7,672,534

29 Managerial Remuneration (Amount in Rs.)

Particulars	31.03.2015	31.03.2014
Salary	2,400,000	1,339,285
Contribution to Provident and other funds	16,500	4,680
Perquisites	-	12,960
Total	2,416,500	1,356,925

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	31.03.2015	31.03.2014
Audit Fees	200,000	200,000
Tax Audit fees	50,000	50,000
Other Matters	75,000	78,000
Reimbursement of expenses	80,109	55,638

31 Employee Benefits (Amount in Rs.)

a) Defined benefit plans as per actuarial valuation on:

PARTICULARS	Gratuity Funded	
	31.03.2015	31.03.2014
I Expenses recognized in the statement of profit & Loss for the year ended		
1 Current Service Cost	64,982	63,629
2 Interest Cost	74,145	225,913
3 Employee Contribution	-	-
4 Expected Return on Plan Assets	(99,911)	(183,781)
5 Net Actuarial (Gain/ Losses)	33,516	20,230
6 Past Service Cost	-	-
7 Settlement Cost	-	-
8 Total Expenses	72,732	125,991
II Net Asset/ Liability recognized in the Balance Sheet As at		
1 Present Value of Defined Benefit Obligation	1,013,012	926,809
2 Fair Value of Plan Assets	1,172,308	1,164,108
3 Funded status [Surplus / (Deficit)]	159,296	237,299
4 Net Assets/(liability)	159,296	237,299
III Change in Obligation During the year Ended		
1 Present Value of Defined Benefit Obligation at beginning of the year	926,809	2,823,917
2 Current Service cost	64,982	63,629
3 Interest Cost	74,145	225,913
4 Settlement Cost	-	-
5 Past Service Cost	-	-
6 Employee contribution	-	-
7 Actuarial (Gain) / Losses	33,516	20,230
8 Benefits Payments	(86,440)	(2,206,880)
9 Present Value of Defined Benefit obligation at the end of the year	1,013,012	926,809



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	Gratuity Funded	
	31.03.2015	31.03.2014
IV Change in Assets During the year ended		
1 Plan Assets at the Beginning of the year	1,164,108	3,162,526
2 Assets Acquired on amalgamation in previous year	-	-
3 Settlements	-	-
4 Expected return on plan assets	99,911	183,781
5 Contribution By Employer	(5,272)	24,671
6 Actual Benefits Paid	(86,440)	(2,208,880)
7 Actuarial (Gain)/Losses	-	-
8 Plan Assets at the end of the year	1,172,308	1,164,098
9 Actual return on plan assets	-	183,781
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 Standard 15(Revised). Actuarial Value of Liabilities at the year end is Rs 315659/- (P.Y. 91,458) based upon following assumption. Expenses provided in the profit and loss account is Rs. 441596/- (P.Y. Rs.91,458/-)

	31.03.2015	31.03.2014
Discount Rates	8%	8%
Salary Escalation	7%	7%

32 As the company does not have information as to which of its creditors are registered under The Micro, Small and Medium enterprises Development Act, 2006, no disclosure as required by the said Act is given.

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

Particulars	31.03.2015	31.03.2014
Export Debtors (Net of Advances)	14,264,661	48,721,991
Import Creditors	-	703,576

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

Currency	Number of Contracts	Buy Amount	Purpose
EURO	13	32495075	Protection of loss on debtors

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

Particulars	31.03.2015		31.03.2014	
	Value	%	Value	%
Raw Material				
Imported	-	0.00%	-	-
Indigenous	75,649,570	100.00%	75,247,531	100.00%
Total	75,649,570	100.00%	75,247,531	100.00%
Stores/Components				
Imported	14,353,958	15.23%	16,254,687	21.17%
Indigenous	79,886,540	84.77%	60,512,224	78.83%
Total	94,240,498	100.00%	76,766,911	100.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

B Details of Foreign exchange earned and spent during the year

- i) F.O.B. Value of Export Rs. 29,25,01,066/- (Previous Year: Rs.27,69,22,420/-)
- ii) Foreign Exchange spent on expenses equivalent in Indian currency: foreign travelling Rs. 6,55,740/- (Previous Year: 12,74,759), commission Rs. 5,12,518/- (Previous Year: 6,50,360), Imported Components Rs. 1,43,53,958/- (Previous Year: 89,26,792), Bank Charges Rs. 3,98,697/- (Previous Year: 3,24,594), Sales Promotion Rs. Nil Previous Year: 11,27,668)

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

Chartered Accountants

FRN: 104746W

Arati Parmar

Partner

M.No. 102888

Place:- Mumbai

Date :- 30.05.2015

On behalf of the Board

Shailesh Gandhi
Chief Financial Officer

Rajiv Aggarwal
Managing Director

Chintan Doshi
Company Secretary

Ravikant Dhawan
Director

Place:- Baddi

Date :- 30.05.2015



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 FOURTH ANNUAL GENERAL MEETING** of the Company held at registered office of the Company at **Village Billanwall, Baddi – 173205, Dist. Solan (HP)** on **Tuesday, 29th September 2015 at 11:30 AM.**

Signature of the member/proxy/representative attending the meeting _____

- Notes :
- Please handover this Attendance Card at the entrance to the place of meeting.
 - Only Members and in their absence, duly appointed proxies will be allowed for the meeting. Please avoid bringing non-members/children to the meeting.



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 FOURTH ANNUAL GENERAL MEETING

Tuesday, 29th September, 2015 at 11:30 a.m. (DAY, DATE & TIME)

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 Fourth Annual General Meeting of the Company, to be held on **Tuesday, 29th September, 2015 at 11:30 a.m.** at registered office of the company at **Village Billanwall, 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.	Reappointment of Mr. Ravikant Tilakraj Dhawan as an Independent Director.		
6.	Reappointment of Mr. Rajendra Prasad Sinha as an Independent Director.		
7.	Reappointment of Mr. Ankit Jain as an Independent Director.		

Signed this _____ day of _____ 2015

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

Signature of shareholder(s) _____

Signature of Proxy holder(s) _____

Affix Revenue Stamp Re. 1/-

- Note:
- 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.
 - For the resolutions, explanatory statement and notes, please refer to the notice of 44th Annual General Meeting.
 - 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.
 - Please complete all details including details of member(s) in above box before submission.

Route Map to the AGM Venue

