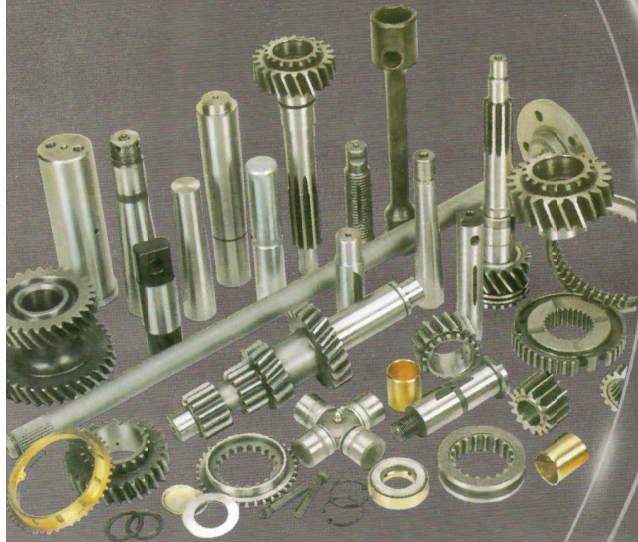


GUJARAT AUTOMOTIVE GEARS LTD.

**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