

GAJRA BEVEL GEARS LIMITED

39th Annual Report 2013-14

ANNUAL REPORT 2013 -14

BOARD OF DIRECTORS:

Mr. Surendra Singh : Chairman & Non Executive Director
Mr. Parmal Singh Raghuwanshi : Independent Director
Mr. Dwarika Prasad Soni : Independent Director
Mrs. Rani Singh : Additional (Women) Director
Mr. Ranveer Singh : Chief Executive Officer

COMPANY SECRETARY:

CS Shivani Khandelwal

CHIEF FINANCIAL OFFICER:

Mr. Atul Rangnekar

STATUTORY AUDITORS:

O.T.Gandhi & Co.
Chartered Accountants
4th Floor, Surya Sadhna Building
Malviya Nagar Square, A.B. Road,
Indore.

BANKERS

IDBI Bank Ltd.
Bank of Baroda

REGISTERED OFFICE AND PLANT:

Industrial Area, A.B. Road
Dewas (M.P.) 455001
Phone: 07272- 258493, 258494
Fax: 07272- 258001
Email: ssg@gajrabevel.com , secretary@gajrabevel.com
Website: www.gajrabevel.com

CORPORATE OFFICE:

3/1, Race Course Road,
Indore 452003
Phone: 0731 2434327, 4065246
Fax: 0731 2432909
Email: ssg@gajrabevel.com
: secretary@gajrabevel.com

REGISTRAR AND TRANSFER AGENT:

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W)
Mumbai 400078
Phone: 022- 25963838
Fax: 022-25946969
Email: sarita.mote@linkintime.co.in

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the Members of **GAJRA BEVEL GEARS LIMITED** will be held at the Registered Office of the Company at 3-7, Industrial Area, A.B. Road, Dewas, (M.P.) 455001, on Tuesday the 30th day of September, 2014 at 02:00 P.M. to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended (9 months from 1st July, 2013 to 31st March, 2014) on that date and the Reports of the Board of directors and Auditors thereon.
2. To appoint a Director in place of Mr. Surendra Singh, (DIN01260862) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** subject to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s O.T. Gandhi & Co., Chartered Accountants (ICAI Firm Registration No. 001120C), the retiring Auditors of the Company subject to the peer reviewed by the ICAI be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Forty Second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) on such remuneration as may be fixed by the Board.”

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of sections 203 and applicable provisions if any, of Companies Act 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Schedule V of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, approval of the Company be and is hereby accorded to the appointment of Mr. Ranveer Singh as the Chief Executive officer as one of the Key Managerial Person of the Company w.e.f. 1st June, 2014 on the Remuneration of Rs. 6,00,000/- Per Annum or such amount as may be decided or altered by the Board of directors from time to time on the terms and conditions including remuneration as set in the explanatory statement with this notice.

FURTHER RESOLVED THAT the Board of directors of the Company be and is hereby authorized to do all such acts, deeds matters and things as in its

absolute discretion it may consider necessary expedient or desirable to give effect to this resolution and to revise the remuneration from time to time.

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement as may be amended from time to time, Mr. Parmal Singh Raghuwanshi, (DIN 01239211), who was holding positions of the Independent Director and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation.

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement as may be amended from time to time, Mr. Dwarika Prasad Soni (DIN 02616313), who was holding positions of the Independent Director and in respect of whom the company has received a notice in writing as required under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution:**

“RESOLVED THAT Mrs. Rani Singh (DIN: 01015696) who was appointed as an additional director by the Board w.e.f. 14th August, 2014 pursuant to the provisions of section 161 of the Companies Act, 2013 to hold the office of the directors till the date of the annual general meeting and in respect of whom the Company has received a notice in writing as required under section 160 of the Companies Act, 2013 from a member proposing her as a candidate for the office of director, be and is hereby appointed as a Women Director of the Company, and she will be liable to retire by rotation.

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

RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, amendments or re-enactments thereto for the time being in force) to the Board of directors of the Company (hereinafter referred to as “ the Board”) to mortgaging and/ hypothecation, pledge or charging by the Board of directors of the Company of all or any of the immovable and movable properties of the Company, wherever situated, both present and future or the whole or substantially the whole of the undertaking or undertakings of the company in such form and in such manner as the Board of directors may think fit for securing any loans and/or advances already obtained or that may be obtained from time to time any financial Institutions/banks/insurance companies, bodies corporate, firms or association or person or persons, and/or to secure any debentures issued, deposits and/or that may be issued and all interest, compounding interest/ additional interest, commitment charge, cost, charges, expenses and all other moneys payable by the company to the concerned secured lenders within the overall borrowing limit of Rs 50.00 Crores (Rupees Fifty Crores) at any point of time.

RESOLVED FURTHER THAT the securities created or to be created by the Company as aforesaid may rank prior/pari passu/subservient with/to the mortgages and/or charges already created or to be created by the company as may be agreed to between the Board of directors of the Company and the concerned parties.

RESOLVED FURTHER THAT the Board be and is hereby authorized create or revise/renew the securities/or release the securities and to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.”

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

RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and (2) and other applicable provisions, if any, of the Companies Act, 2013 as may be applicable (including any statutory modifications, amendments or re-enactments thereto for the time being in force) to the Board of directors of the Company (hereinafter referred to as “ the Board”) for borrowing any sum or sums of monies from time to time for the purpose of the Company’s business on such terms and conditions and with or without security from any bank, financial institutions or any other lending institutions, firms, bodies corporate or persons, of India or otherwise from the foreign parties/entities subject to the provisions of the FDI and/or FEMA, as may be considered appropriate and suitable by the Board notwithstanding that the sum or sums of monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be

obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free-reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 50.00 Crores (Rupees. Fifty Crores) over and above the paid up capital of the Company and its free reserves.

RESOLVED FURTHER THAT Board of directors and the Director(s) or the person authorized by the Board be and is jointly/or severally authorized to do as they may think fit and for that purpose to execute such documents, papers, deeds, and writings containing such conditions and covenants as the Board may think fit and to take all such steps as may be necessary or desirable to give effect to this Resolution.

By Orders of the Board

Date: 14th August, 2014

Place: Indore

Gajra Bevel Gears Ltd.

CIN: L34300MP1974PLC001598

3-7, Industrial Area, A.B. Road

Dewas (M.P.) 455001

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregating not more than 10% of the total share capital of the Company carry voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.
4. The company has notified closure of register of members and share transfer books from September, 26th 2014 to September, 30th 2014 (both days inclusive).
5. The Members are requested to:
 - a) Intimate changes, if any, in their registered addresses immediately.
 - b) Quote their ledger folio number in all their correspondence.
 - c) Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
 - d) Bring their Annual Report and Attendance Slips with them at the AGM venue.
 - e) Send their Email address to us for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company.
6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
7. Members seeking any information are requested to write to the Company by email at secretary@gajrabevel.com at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
8. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share

Shivani Khandelwal
Company Secretary
ACS 34141

accounts and to the Registrar and Share Transfer Agent of the Company at Link Intime India Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078.

9. Electronic copy of the Annual report is being sent to the members whose email IDs are registered with the Company/Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual reports being sent in the permitted mode.
10. Members may also note that the Annual Report for FY 2013-14 will also be available for downloading on Company's website www.gajrabevel.com.
11. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting needs to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
12. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday, between 11:00 A.M and 1:00 P.M up to the date of the meeting.
13. **Voting through electronic means**
 - i. The e-voting period begins on Friday, September 26, 2014 from 9.00 A.M. to 6.00 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 of 08/08/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
 - iii. Click on "Shareholders" tab.
 - iv. 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.
 - v. Next enter the Image Verification as displayed and Click on Login.
 - vi. 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.
 - vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
DOB #	Enter the Date of Birth as recorded in your demat account or in the

	company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <company name> on which you choose to vote.
- xii. 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.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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 they have to create 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 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.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. 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 <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

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.

DETAILS OF THE DIRECTORS & CEO SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING

Name of Directors	Mr. Ranveer Singh	Mr. Parmal Singh Raghuwanshi	Mr. Surendra Singh	Mr. Dwarika Prasad Soni	Mrs. Rani Singh
Date of Birth	16/07/1963	04/07/1949	16/06/1956	12/11/1974	07/02/1956
Date of Appointment	01/06/2014	31/10/2007	17/11/1986	01/10/2007	14/08/2014
Expertise / Experience in specific functional areas	Having about 25 years wide experience in the field of Business and Industry.	Having about 30 years wide experience in the field of Business and Industry.	Having about 25 years wide experience in the field of Business and Industry.	Having about 20 years wide experience in the field of Business and Industry.	-
Qualification	Mechanical Engineer	BE (electric)	B.A. (HONS.)	B.Com	B.A.
No. & % of Equity Shares held	-	-	1926980 (20.50%)	-	301630 (3.21%)
List of outside Company's directorship held	1. Garha Gears Ltd. 2. Garha Utilbroc ce Tools Ltd.	1. Garha Gears Ltd. 2. Garha Utilbroc ce Tools Ltd. 3. Garha Resorts and Sports Pvt. Ltd. 4. Garha Holding Pvt. Ltd. 5. Gajara Investments Pvt. Ltd. 6. Garha Computers Pvt. Ltd. 7. Gujrat Gajra	-	1. Garha Gears Ltd. 2. Garha Utilbroc ce Tools Ltd. 3. Garha Resorts and Sports Pvt. Ltd. 4. Garha Holding Pvt. Ltd. 5. Gajara Investments Pvt. Ltd. 6. Garha Computers Pvt. Ltd.	-

		Pinions Ltd.			
Chairman / Member of the Committees of the Board of Directors of the Company	-	1. Audit Committee 2. Nomination and Remuneration Committee. 3. Stakeholders relationship Committee.	-	1. Audit Committee 2. Nomination and Remuneration Committee. 3. Stakeholders Relationship Committee.	-
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	-	-	-	-	-

EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 3:

This explanatory statement is provided though strictly not required as per section 102 of the Act. M/s O.T. Gandhi & Co., Chartered Accountants (ICAI Firm Registration No.001120C), Indore have been the Auditors of the Company since more than 5 years.

As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Companies Act, 2013 to comply with this requirement. In view of the above, M/s O.T. Gandhi & Co., Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of directors has, at its meeting held on 30th May, 2014 proposed the re-appointment of M/s O.T. Gandhi & Co., Chartered Accountants as the statutory auditors for a period of three years up to the conclusion of the 42nd annual general meeting to be held in the calendar year 2017 and to hold office from the conclusion of this AGM (subject to ratification of their appointment at every AGM).

The Board recommends the Resolution as set out at Item No. 3 for approval by the members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMP) or their relatives are concerned or interested in any manner in the Resolution.

Item No. 4:

As per the provisions of section 203 of the Companies Act, 2013 read with Company's (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Company shall have Chief Executive Officer as the Key Managerial Person. Therefore, the Board of directors at their meeting held on 30th May, 2014 has appointed Mr. Ranveer Singh as the Chief Executive Officer.

Mr. Ranveer Singh holds the degree of Mechanical Engineer and has wide experience in the field of Business and Industry. He has also served the company as a director for more than seven years.

In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as a Chief Executive Officer of the Company (not being a member of the Board). The Board recommends to pass necessary resolution as set out in Item No. 4 of the notice.

The Board considered that the terms and conditions the salary and perquisites as given in the Item No. 4 of the notice is commensurate with his high responsibilities, status and image of the Company. The Board recommends to pass necessary special resolution as set out in Item No. 4 of the notice.

Mr. Ranveer Singh, being appointee is considered as financially interested in the resolution to the extent of the remuneration as may be paid to him. Except him none of the directors or Key Managerial Personnel or their relatives are concerned or interested in the Resolution. Mr. Ranveer Singh do not hold any share in the company.

Item No. 5 & 6:

The Board of directors comprises three directors out of which, two are Non-Executive Independent Directors of the Company.

Mr. Parmal Singh Raghuwanshi (DIN 01239211) joined the Board on 31st October, 2007 as an Independent Director and has served as director of the Company for over 6 years. He holds a degree of B.E. LLB and having wide experience in the field of Business and Industry. Mr. Parmal Singh Raghuwanshi does not hold any Equity shares in the Company.

Mr. Dwarika Prasad Soni (DIN 02616313) joined the Board on 1st October, 2007 as an Independent director and has served as director of the Company for over 6 years. He holds a degree of B.Sc. Mr. Dwarika Prasad Soni is having through experience in the field of Business and Industry. Mr. Dwarika Prasad Soni does not hold any Equity shares in the company.

The detailed profile of directorship and Committee position held by these two directors in other Companies are included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

As per the provisions of section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and shall not be liable to retire by rotation. Therefore, it is proposed to appoint them as Independent Directors at the ensuing annual general meeting for a period of 5 years, upto 31st March, 2019.

All the above said three Independent Directors has given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board the above said two directors fulfills the conditions specified in the Act and the Rules made there under as the Clause 49 of the Listing Agreement for their appointment as Independent Directors of the Company.

The Company has received a notice in writing as required under section 160 of the Companies Act, 2013 from members for proposing the appointment of the above said directors.

All the 'Independent Directors' have expertise in specific functional areas and are eminent personalities in their respective fields. The Board considers that there continued association would be of immense benefit to the Company and it is desirable to continue to avail services of these two directors as Independent Directors. Accordingly, the Board recommends the resolution as set out in the Item No. 5 & 6 as Ordinary Resolutions.

Mr. Parmal Singh Raghuwanshi and Mr. Dwarika Prasad Soni, who are proposed appointees may be considered as concerned or interested financially in the Resolutions to the extent of the sitting fee as may be paid by the company from time to time. Except that none of the

other Directors nor Key Managerial Personnel or relatives thereof are in any way, concerned or interested in the Resolutions.

Item No. 7:

Mrs. Rani Singh, (DIN 01015696) aged about 58 years was appointed by the Board as an additional director of the Company w.e.f. 14th August, 2014 of the company being the women director to fulfill the requirement of the Companies Act, 2013. The Nomination and Remuneration Committee of the Board has considered her qualifications and recommended her appointment in the category of the Women Director of the Company.

The Company has received a notice u/s 160 of the Companies Act, 2013 proposing her appointment as director. Looking into her qualifications, your Board recommends her appointment as director of the company and proposes to pass the respective resolution as set out in item No. 7 for approval as an Ordinary Resolution.

Mrs. Rani Singh, being the appointee may be considered as the financially interested in the resolution to the extent of the remuneration as may be paid to her and Mr. Surendra Singh, the Chairman being her relative may also be considered as interested otherwise. Except that none of the other directors or other Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution. Mrs. Rani Singh holds 301630 (3.21%) shares in the Company.

Item No. 8 & 9:

Earlier the Company has passed ordinary resolutions under section 293(1)(a) and 293(1)(d) of the Companies Act, 1956 for authorizing the Board to create charge on the assets and to borrow in excess of the paid up capital. However as per section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 which has become applicable w.e.f. 12th Sept., 2013 and provides that the Board of directors of company shall not, without the approval of shareholders in general meeting by way of special resolution, create charges or otherwise dispose of the whole or substantially the whole of the undertaking of the Company and borrow in excess of the paid up capital and free reserves.

The Company is a sick industrial company and under the restructuring in would necessitate borrowing and/or assignment of loans, etc taken or to be taken from any bank, financial institutions or any other lending institutions, firms, bodies corporate or persons, both in the national and international markets, as may part of the rehabilitation scheme or otherwise and may be considered and approved by the BIFR or otherwise and considered suitable in the best interest of the company by the Board from time to time. As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board cannot, apart from temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business except with the consent of the shareholders in General Meeting by way of special resolution, borrow monies in excess of the aggregate of the paid-up capital and free reserves of the Company. Since the entire networth of the company has already been eroded, it is required to seek approval of members by way of special resolution.

In view of that the Board of directors of the Company considered needs to be authorized by the members to borrow monies, whether secured or otherwise (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), from time to time on behalf of the Company not exceeding Rs. 50.00 Crores (Rupees Fifty Crores) over and above the paid-up capital and free reserves of the Company.

Further that the assistance from the institutions/banks provided/agreed to be provided to the Company have to be secured by the mortgage and charge of the assets of the Company, both present and future and the whole of the undertaking of the Company and the aforesaid

institutions would like to retain a power to take over the management of the business and concern of the Company in certain events, it is necessary for the members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013.

The Board accordingly recommends the Special Resolution as mentioned in item no. 8 & 9 of this notice for your approval.

None of the Directors & Key Managerial Personnel and their relatives is either directly or indirectly concerned or interested in the proposed resolution. However the promoters and directors, their relatives and associate companies may be considered as financially or otherwise interested to the extent of the interest as may be received by them on the unsecured loan, if any, as may be provided by them under the requirement of the Scheme of Rehabilitation.

By Orders of the Board

Date: 14th August, 2014

Place: Indore

Gajra Bevel Gears Ltd.

CIN: L34300MP1974PLC001598

3-7, Industrial Area, A.B. Road

Dewas (M.P.) 455001

Shivani Khandelwal
Company Secretary
ACS 34141

DIRECTORS' REPORT

To
The Members of
Gajra Bevel Gears Ltd.

Your Directors presents their 39th Annual Report on the business and operation of the company together with the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the period ended 31st March, 2014 (9 months from 1st July, 2013 to 31st March, 2014).

FINANCIAL RESULTS:

Particulars	Rs. In Lacs	
	01.07.2013 to 31.03.2014	01.10.2012 to 30.06.2013
Revenue from operation	0.00	0.00
Other Income	95.85	0.10
Total Income	95.85	0.10
Total Expenses	442.22	6.94
Profit/Loss before Interest, Depreciation & Tax (EBIDTA)	(346.37)	(6.84)
Less: Interest	0.00	0.00
Less: Depreciation and amortization expenses	150.72	17.98
Profit /Loss before Tax	(497.09)	(24.82)
Less: (a) Current Tax	0.00	0.00
(b) Deferred Tax	0.00	0.00
(c) Earlier year (Income Tax and Commercial Tax)	383.56	0.00
Net Profit/Loss for the year	(880.65)	(24.82)
Add: Loss brought forward from previous year	(4056.16)	(4031.34)
Accumulated Losses Carried to Balance Sheet	(4936.81)	(4056.16)
Paid up Equity Share Capital	940.08	940.08
Earning per share (Rs.10/- each) Basic & Diluted (in Rs.)	(9.37)	(0.26)

DIVIDEND:

Looking into the continuous losses being incurred by the company and huge accumulated losses of the previous financial years, it is not possible for the Board to recommend any dividend for the year under review (Previous year Nil).

OVERALL REVIEW AND FUTURE PROSPECTS:

There was no manufacturing / business activity during the year ended on 31.03.2014 (9 months year from 1st July'2013 to 31st March'2014). The management of the Company continued making the efforts for rehabilitation of the Company and in course of that succeeded in settlement of dues by way of OTS with IDBI, IFCI, MPAVN and MPSIDC. By the financial support of Abhimanyu Agro Pvt. Ltd. and Rani Agro Pvt. Ltd. the payments of OTS have also been made during the year. The management of the Company is also making efforts to settle the only left secured creditor M.P. Financial Corporation by way of OTS.

Though the Company has made efforts to reduce its administrative and other expenses to avoid further losses but due to amortization, in total, of outdated Technical Know-how and Research and Development expenses to the tune of Rs.145.60 Lacs and by making provision for unchallenged assessed demands of earlier years in respect of Income Tax and

Commercial Taxes to the tune of Rs.383.56 Lacs the Company has to suffer with losses of Rs. 880.65 Lacs during the year 2013-14 (Previous year losses Rs.24.82 Lacs). This resulted the accumulation of losses up to the year end to tune of Rs.4936.81 Lacs as against the accumulated losses of Rs.4056.16 Lacs up to the previous year. The members are aware of the fact that the Company's entire network had already been eroded long back in the year ended 30th Sept.2008 and the Company is continuing having status of SICK Company.

The Board of Directors of the Company is continue in making their best efforts to explore the possibilities for arrangement of working capital funds to commence manufacturing activities at the plant and revive the Company

CHANGE IN THE ACCOUNTING YEAR:

In compliance of the requirements of the Companies Act, 2013, Board of directors has changed the accounting year by ending it on 31th March, 2014. Now the Company shall have the financial year as its accounting year for the next year commencing from 1st April, 2014 to 31st March, 2015.

FINANCIAL REVIEW AND STATUS OF SICKNESS UNDER BIFR:

Your directors report that based on the Financial Statements as at 30th Sept., 2008 a reference u/s 15(1) of SICA (SP) Act, 1985 has been filed by the Company with the BIFR and the same has been registered as Case no. 27/2009 on 13th July, 2009. The BIFR vide its order of hearing held on 6th Jan., 2010 declared the company as a Sick Industrial Company in terms of section 3(1)(o) of SICA (SP) Act, 1985 and appointed IDBI as the Operating Agency. The DRS for rehabilitation of the Company is under preparation.

Since there was no manufacturing/business activity, the management has taken a decision 'NO WORK NO PAY' and therefore no provision for employees remunerations were made in the books of accounts for the year ended 31.03.2014. (9 months from 1st July, 2013 to 31st March, 2014).

In view of the settlement process no provision has been made for the interest on institutional borrowings for the year under review as per policy followed in previous years.

DIRECTORS:

The Board in its meeting held on 30th May, 2014 has accepted resignation of Mr. Ranveer Singh (SIN 01356634) from the office of Director and Resignation of Mr. Surendra Singh (DIN 01260862) from the office of Managing Director w.e.f. 31st May, 2014, however Mr. Surendra Singh is continuing in the Board as a Director and Non Executive Chairman of the Company.

Mr. Surendra Singh (DIN 01260862) the director is liable to retire by rotation and being eligible offers himself for re-appointment.

Parmal Singh Raghuwanshi (DIN 01239211) and Shri Dwarika Prasad Soni (DIN 02616313) (the existing independent directors are further proposed to be appointed as Independent Directors for a term of 5 years as per requirement of section 149 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement to hold the office till 31st March, 2019.

The Company has received notice in writing from all the Independent Directors of the Company at the ensuing Annual General Meeting.

The Independent Directors has submitted a declaration confirming that they meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment as Independent Directors of the Company.

In the opinion of the Board the above said two directors fulfills the conditions specified in the Act and the Rules made there under as the Clause 49 of the Listing Agreement for their appointment as Independent Directors of the Company.

The Company has appointed Mr. Ranveer Singh as the Chief Executive Officer of the Company w.e.f. 1st June, 2014 and assigned him the responsibility of the key managerial personnel.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, and based on the representation received from the operating management, the Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that have been 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 losses of the company for the year under review;
- c) they have taken proper and sufficient care to the best of their Knowledge and ability for the maintenance of adequate accounting records in accordance with the provision of this Act. They confirm that there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- d) they have prepared the annual accounts for the financial year ended 31st March, 2014 on a going concern basis;

AUDITORS:

M/s O.T. Gandhi & Co., Chartered Accountants, (F. R.N. 001120C) Indore, statutory auditors of the Company, hold the office until the ensuing Annual General Meeting. The said Auditors have furnished the Certificate of their eligibility for re-appointment.

Pursuant to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint M/s O.T. Gandhi & Co., Chartered Accountants (ICAI Firm Registration No. 001120C), the retiring Auditors of the Company as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Forty Second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) on such remuneration as may be decided & fixed by the board on the recommendations of the Audit Committee.

The Auditors' Report read with notes to accounts are self-explanatory and needs no further comments.

FIXED DEPOSITS:

Your company has not accepted or invited any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956, during the year under review. And that there is no overdue unpaid/unclaimed deposit as at 31st March, 2014.

COST AUDITORS:

Pursuant to the directives of the Central Government under the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the Company is not required to appoint the Cost Auditors for the year 2014-15. As per opinion provided that being there is no manufacturing activities in the Company, the Company is not required to maintain the cost accounting records, hence no cost records has been maintained by the management.

CORPORATE GOVERNANCE REPORT:

Report on Corporate Governance as required under the Listing Agreements with the Stock Exchanges along with the certificate of the Auditors, M/s O.T. Gandhi & Co., Chartered Accountants confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are attached to this report as Annexure I.

SECRETARIAL AUDITORS:

The Company has appointed CS Naveen Kumar Jain, Company Secretary (C.P. No.12350) as the Secretarial Auditors for the year 2014-15 as required under section 204 of the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, PARTICULAR OF EMPLOYEES AND FOREIGN EXCHANGE:

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 are not applicable to the Company as it has no manufacturing activities and none of the employee were drawing the remuneration in excess the limit prescribed under the Rules.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**A. Financial Arrangements:**

Owing to the heavy financial losses suffered by the Company the management had to discontinue its manufacturing activity after 31st October'2006. The seizure of the plant by the provident fund and other authorities remained unchanged during the year under review and the Company continued having status of a SICK Industrial Company under the provision of SICA.

Your directors are pleased to report that the Company has obtained unsecured loans of Rs. 2746.94 Lakhs from the associate companies of the promoters and settled the secured creditors State Bank of India, IDBI, IFCI and MPSIDC/MPAVN. Your directors place on record their sincere thanks to the new lenders for their confidence in the management of the company.

With the help of the Operating Agency and under the directions of the BIFR as may be issued, the management of the company is hopeful for its revival.

B. Industry structure and developments:

Your company was having status as a major player in heavy/medium/light commercial vehicle segment, tractor segment and utility vehicle segment. Since, it has closed down the production activities, its most of the existing marketing network has been totally disturbed and it has to take effective steps to further establish its products in the market as and when it resume to the production activities.

C. Risk and Concerns:

The product range of your Company was well accepted in almost all sectors of Auto Industry having a sizable share in OE and Replacement market. Due to the closer of the plant on account of non-availability of working capital the Company remain out of market since Nov.2006 which allowed competitors to jump into its share and therefore on revival the Company may face problem in marketing its product. In view of the past goodwill, the management of the Company is confident to overcome from any such situation, if so arises.

D. Cautionary statement:

Statement made in the management discussion and analysis report as regards the expectations or predictions are forward looking statements within the meaning of applicable Laws and Regulations.

ACKNOWLEDGEMENTS:

Your directors would like to express their grateful appreciation for assistance and cooperation received from the BIFR and IDBI, Operating Agency appointed by the BIFR, and Members of the Company for their confidence and support to the management of the company in the adverse financial conditions and hope that with their continuing and active support, the Company may revive and shall be able to perform in coming years.

For & On Behalf of the Board

Place: Indore

Dated: 14th August, 2014

SURENDRA SINGH

CHAIRMAN

DIN: 01260862

ANNEXURE – I**CORPORATE GOVERNANCE REPORT 2013-14**

(Forming part of the Directors' Report of Gajra Bevel Gears Limited)

Effective corporate governance practices constitute the foundations on which successful commercial enterprises are built to last. Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparent, accountability, responsibility, compliance ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met with integrity. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate.

1. COMPANY'S PHILOSOPHY ON CODE:

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facts of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchange with regard to Corporate Governance and also has

taken certain steps to ensure transparency and accountability. Your company shall continue to follow the same with a desire for further development on continuous basis.

The Board of Directors, by considering itself as trustee of its shareholders, aims at maximizing shareholders value and protecting the interest of all stakeholders

2. BOARD OF DIRECTORS AND THEIR MEETINGS:

The Board consists of non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning. Mr. Ranveer Singh is the Chief Executive Officer of the Company is overall incharge for the affairs of the Company who exercise their powers and discharge their duties under the superintendence and control of the Board of directors from time to time. The Board of directors of the company comprises of one non executive promoter director and two directors are independent.

During the financial year 2013-14 (9 months from 1st July, 2013 to 31st March, 2014) the Board of directors met **3** times on **29th August, 2013; 13th November, 2013 and 13th February, 2014.**

The composition of the Board of directors and their attendance at the meetings during the year were as follows;

Name of the Directors	Category	Designation	No. of Board meeting held during the financial year	No. of Board meeting attended during the financial year	Whether attended last AGM held on Dec. 31st , 2013	No. of other director ship	No. of Committee Chairmanship/ membership in other Companies
Mr. Surendar Singh #	Promoter/ NED	Chairman & Managing Director	3	3	Yes	0	Nil
Mr. P. S. Raghuvanshi	IND/NED	Director	3	3	Yes	7	Nil
Mr. Ranveer Singh*	-	Director	3	3	Yes	2	Nil
Mr. D P Soni	IND/NED	Director	3	3	Yes	6	Nil

Change in Designation of Mr. Surendra Singh from Managing Director to the Non Executive Chairman w.e.f. 31st May, 2014.

*Mr. Ranveer Singh resigned from the office of director w.e.f. 31st May, 2014 and further appointed as CEO w.e.f. 1st June, 2014.

3. INFORMATION PLACES BEFORE THE BOARD

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed. Among others, information regularly supplied to the Board includes:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.

4. Minutes of meetings of audit committee and other committees of the Board.
5. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
10. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
11. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
12. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Among other things, key matters like periodic operations and financial results, findings/ comments of the statutory, internal and other auditors, risk management, internal controls, resource mobilization efforts are considered and deliberated upon by the Board. The Board also regularly deliberates on the Company's positioning in the Indian and global market and adopts and approves the strategy for medium and long term growth. The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non-compliance.

The Agenda for the Board Meeting and its Committee Meetings are drafted by the Compliance officer/Company Secretary. The Agenda, along with all information, including statutory information, relevant to the matters to be discussed is sent well in advance to the Directors. The Members of the Board can also suggest any agenda item to the Chairman, which is taken up as an additional item after the circulated agenda items. Detailed presentations are made at the Board Meetings by the Managing Director on various strategic and operational issues.

4. CODE OF CONDUCT

The Company has adopted a Code of Conduct for Board of directors and Senior Management. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2014. A declaration to this effect signed by the Chief Executive Officer forms part of this Report.

As required by SEBI Regulations, the Company has adopted a code for the Prevention of Insider Trading.

Code is applicable to the directors and employees of the Company and its subsidiaries and their dependent family members.

5. BOARD COMMITTEES

Board has three Committees, viz.

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Shareholders Grievance/ Stakeholders Relationship Committee;

The above said Committees consist of a majority of Independent Directors. The quorum for the Meetings is either two directors or one third of the members of the Committee, whichever is higher.

5.1 AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirement of section 292A of the Companies Act, 1956 and the Clause 49 of the Listing Agreement and in fulfilling the Board's overall responsibilities, an Audit Committee is functioning consisting of only independent directors. The Audit Committee inter-alia has the following mandate in terms of the Clause 49 of the Listing Agreement:

1. Overview of company's financial reporting process and the disclosure of the financial information in the annual accounts.
2. To review and discuss with management, internal audit team and external auditors regarding any significant finding of material nature.
3. To consider and review the adequacy of management control system and internal audit function and frequency of internal audit process.
4. To review with Management the quarterly and annual financial statements before submission to the Board focusing primarily on any change in accounting policies and compliance with accounting standards, requirements of stock exchanges and other legal compliance.
5. To review Balance Sheet & Profit and Loss Accounts to be placed before the Board.
6. To consider and review the financial and risk management policy of the Company.
7. To consider and review the defaults, if any in payment to the creditors, financial institutions and reasons thereof.
8. To review the functioning of the Whistle Blower mechanism.
9. To appoint the Cost Auditors and review the Cost Auditor Reports/Compliance Report of the Cost accounting Report
10. To consider the directors responsibility statement to be given by the Board in the Directors Report.
11. To consider the matter relating to the recommendation for appointment of the external auditors and fixation of their audit fee and also approval for payment of any other services.
12. Approval of the related party transactions.

a) Composition of the Audit Committee:

The Audit Committee of the company comprises of the following independent directors:

S. No.	Name of Committee Member	Designation	Position
1.	Mr. Ranveer Singh	Director NED/IND	Chairman upto 31.05.2014
2.	Mr. Parmal Singh Raghuvanshi	Director NED/IND	Chairman w.e.f. 31.05.2014
3.	Mr. Dwarika Prasad Soni	Director NED/IND	Member
4.	Mr. Surendra Singh	Director NED	Member

Shri Ranveer Singh has resigned from the Board and committee w.e.f. 31st May, 2014 and Shri Surendra Singh was inducted in the Committee as a member in his place. Shri P.S.Raghuvanshi has been appointed as the Chairman of the Committee w.e.f. 31st May, 2014.

CS Shivani Khandelwal is functioning as the Secretary to the Committee W.e.f. 1st March, 2014. The Statutory Auditors of the Company were also invited by the Committee to express

their views in the Meeting. The Chairman of the Audit Committee has also attended the Annual General Meeting of the members of the company.

b) Meetings of the Audit Committee:

During the accounting year 2013-2014 (9 months from 1st July, 2013 to 31st March, 2014) the Audit Committee met **3 times on 29th August, 2013; 13th November, 2013 and 13th February, 2014.**

The Committee considered the Annual Accounts for the year 2013-14 and reviewed financial and risk management policy of the Company.

5.2. SHAREHOLDERS GRIEVANCE/ STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Brief description of terms of reference:

The Company has a 'Shareholders Grievance & Transfer Committee' at the Board level to look into the Redressing of shareholders and investor's complaints like:

- (i) Transfer of Shares, transmissions and delay in confirmation in D-mat of shares.
- (ii) Non-receipt of Annual Report, etc.

b) Composition of Committee and number of meetings held:

S. No.	Name of Committee Member	Designation	Position
1.	Mr. Ranveer Singh	Director NED/IND	Chairman upto 31.05.2014
2.	Mr. Parmal Singh Raghuwanshi	Director NED/IND	Chairman w.e.f. 31.05.2014
3.	Mr. Dwarika Prasad Soni	Director NED/IND	Member
4.	Mr. Surendra Singh	Director NED	Member

Shri Ranveer Singh has resigned from the Board and committee w.e.f. 31st May, 2014 and Shri Surendra Singh was inducted in the Committee as a member in his place. Shri P.S.Raghuwanshi has been appointed as the Chairman of the Committee w.e.f. 31st May, 2014.

- (i) Name and designation of Compliance Officer :CS. Shivani Khandelwal
- (ii) Number of shareholders complaints received during the year : 8
- (iii) Number of complaints solved during the year : 8
- (iv) Number of complaints pending at the end of the year : 0

The Company has given powers to implement transfer, transmission and D-mat of Shares to the Share Transfer Agent and to resolve the relating problems as professional agency. The Committee meets only on specific nature of complaints not resolved within a period of 14 days from the date of its receipts.

The Company has renamed the Shareholders Grievance Committee to the Stakeholders Relationship Committee w.e.f. 13th Feb., 2014.

5.3 REMUNERATION/NOMINATION AND REMUNERATION COMMITTEE:

(a) Brief description of terms of reference:

The terms of reference of the Committee are to review and recommend compensation payable to the executive directors. The Committee also ensures that the compensation policy of the Company provides for performance-oriented incentives to management.

(b) Composition of Committee and number of meetings held:

S. No.	Name of Committee Member	Designation	Position
1.	Mr. Ranveer Singh	Director NED/IND	Chairman upto 31.05.2014
2.	Mr. Parmal Singh Raghuwanshi	Director NED/IND	Chairman w.e.f. 31.05.2014
3.	Mr. Dwarika Prasad Soni	Director NED/IND	Member
4.	Mr. Surendra Singh	Director NED	Member

Shri Ranveer Singh has resigned from the Board and committee w.e.f. 31st May, 2014 and Shri Surendra Singh was inducted in the Committee as a member in his place. Shri P.S.Raghuvanshi has been appointed as the Chairman of the Committee w.e.f. 31st May, 2014.

The name of the Committee was changed as the Nomination and Remuneration Committee w.e.f. 13th Feb., 2014. CS Shivani khandelwal, Company Secretary is functioning as the Secretary to the Committee W.e.f. 1st March, 2014.

During the period under review only one meeting held on 13th Feb., 2014 for approval of the appointment of CS Shivani Khandelwal as a Company Secretary w.e.f. 1st March, 2014 and appointment of Mr. Atul Rangnekar as the Chief Financial Officer w.e.f. 1st April, 2014 in which proper quorum was present.

(c) Remuneration paid to directors during the year:

In view of the Financial Sickness the Company is not paying any remuneration to Directors.

6. VENUE AND TIME OF THE LAST THREE ANNUAL GENERAL MEETINGS:

Date of AGM	Venue	Time	No. of Resolutions passed other than ordinary businesses	No. of resolution passed by Postal Ballot.
31.12.2013	3-7, Industrial Area, A.B.Road, Dewas (M.P.)	11.30A.M	Nil	Nil
31.12.2012	---do---	11.30A.M	Nil	Nil
31.12.2011	---do---	11.30A.M	Nil	Nil

The Resolutions were passed by show of hands with requisite majority. The venue of the AGM of the company has been chosen for its central location, prominence and capacity. Chairman of the Audit Committee and Remuneration Committee has also attended the Annual General Meetings.

7. DISCLOSURES:

7.1 Related Party Transactions

Details of all material transactions with related parties has been disclosed in the notes to the Accounts in the financial statements of the Company.

7.2 Disclosure of Accounting Treatment

The company is following the Accounting Standards as applicable to the Company.

7.3 Disclosure of resignation of directors

The company discloses the resignation along with the detailed reasons of resignation provided by the director of the company to the stock exchange as and when it is required.

7.4 Disclosure of formal letter of appointment

The letter of appointment of the independent director along with the detailed profile shall be disclosed on the websites of the company and the Stock Exchanges.

7.5 Proceeds from public issues, rights issue, preferential issues, etc.

The Company has not raised money through an issue (public issues, rights issues, preferential issues etc.) during the year under review.

7.6 Shareholder Rights

The quarterly, half yearly and annual declarations of the financial performance are posted on the website of the Company and are also sent to the BSE and MPSE, where the shares of the Company are listed. The complete Annual Report is sent to every shareholder of the company.

7.7 Audit Qualifications

It is always the company's endeavour to present unqualified financial statements. There are no audit qualifications in the company's financial statements for the year ended 31st March 2014.

7.8 Whistle Blower/vigil Mechanism Policy

The Company has laid down a Whistle Blower Policy/vigil mechanism. The company encourages an open door policy where employees have access to the Head of the business/function. The company takes cognizance of the complaints made and suggestions given by the employees and others. Complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the company has been denied access to the Audit Committee in this regard.

7.9 Compliance by the Company

There has not been any non-compliance by the company and no penalties or strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

8. MEANS OF COMMUNICATION:

The company regularly intimates its Un-Audited as well as Audited Financial Results to the Stock Exchange immediately after these are taken on record/approved by the Board. These financial results are published in the Free Press Journal (English) and in (Hindi), the vernacular newspaper. The results of the company are also available on the website of the company, at www.gajrabevel.com.

9. SHAREHOLDER INFORMATION

- | | |
|---|--|
| a) Registered Office | : Industrial Area,
A.B. Road, Dewas (M.P) 455001 |
| b) AGM
Date, Time and Venue of Annual
General Meeting | : On 30 th Sept., 2014 at 2.00 P.M. at the
Registered Office of the Company. |
| c) E-voting period | : on 26.09.2014 from 9 A.M. to 6 P.M. |
| d) Financial Calendar | (Tentative) |
| Results for the quarter ending 30 th June, 2014 | : Before 14 th August, 2014 |
| Results for the quarter ending 30 th Sept, 2014 | : Before 14 th Nov., 2014 |
| Results for the quarter ending 31 st Dec, 2014 | : Before 14 th Feb., 2015 |
| Results for the quarter ending 31 st Mar, 2015 | : Before 30 th May, 2015 |
| e) Board Meeting for consideration of Annual
Accounts | : 30 th May, 2014 |
| f) Book Closure | : 27 th Sept., 2014 to 30 th Sept., 2014
(Both days inclusive) |

- g) Cutoff date for E-voting : 8th August, 2014
- h) Posting/ mailing of Annual Report : Before 5th Sept., 2014
- i) Last date for receipt of Proxy : 28th Sept., 2014
- j) Dividend : NIL
- k) Listing : The BSE, Mumbai, MPSE
The Company is regular in payment of annual listing fee to BSE.
- l) Registrars and Share Transfer Agents : Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W)
Mumbai 400078
Phone: 022 25963838
Email: sarita.mote@linkintime.co.in
- m) Compliance Officer and Company Secretary : CS Shivani Khandelwal
- n) Scrutinizer for E-voting : Rakesh Shrivastava.
- o) Scrip Code : 505711
- p) ISIN NO : INE282DO1010

q) Distribution of shareholding as on 31/03/2014

Nos. of shares	No. of Owners	% of Share-Holders	Share Amount (Rs)	% to Total
1 - 5000	6247	83.3160	10258380	10.9120
5001 - 10000	613	8.1760	5353320	5.6950
10001 - 20000	302	4.0280	4841530	5.1500
20001 - 30000	105	1.4000	2705470	2.8780
30001 - 40000	49	0.6540	1700970	1.8090
40001 - 50000	46	0.6130	2181730	2.3210
50001 - 100000	75	1.0000	5391620	5.7350
100001 - Above	61	0.8140	61574480	65.5000
Total	7498	100.0000	94007500	100.0000

r) Shareholding Pattern as on 31/03/2014

Sr. No.	Category	No. of shares held	Holding % of share
A	Promoter Holding		
1	Promoters		
	Indian Promoters	2905271	30.90
	Foreign Promoters	0	0.00
2	Persons Acting in Concert	0	0.00
	Sub Total A	2905271	30.90
B	Non Promoters Holding		
3.	Institutional investors		
(a)	Mutual Funds and UTI	550	0.01
(b)	Bank, financial Institutions	2276457	24.22

(c)	Central Government/State Government(s)	2200	0.02
	Sub Total B	2279207	24.24
4	Others		
(a)	Private Corporate Bodies	251654	2.68
(b)	Indian Public	3912486	41.62
(c)	NRI/OCBs	19605	0.21
(d)	Any other (clearing members)	32527	0.35
	Sub Total	4216272	44.86
	GRANT TOTAL (A+B)	9400750	100.00

s) Dematerialization of shares as at 31/03/2014

Category	No. of Shares	%
Total number of Dematted shares with NSDL	55,33,404	58.86%
Total number of Dematted shares with CDSL	10,91,349	11.61%

t) Stock Market data: Quotes of the Company traded at BSE

Month	High (Rs.)	Low (Rs.)	Total volume of shares
July, 2013	2.04	1.44	17,228
August, 2013	2.13	1.40	5,638
September, 2013	2.13	2.13	24
October, 2013	2.10	1.93	3,257
November, 2013	2.20	2.20	1,975
December, 2013	2.20	2.20	1
January, 2014	2.20	1.29	47,592
February, 2014	1.40	1.02	26,438
March, 2014	1.17	0.97	88,803

FOR & ON BEHALF OF THE BOARD

Place: Indore
Date: 14th August, 2014

SURENDRA SINGH
CHAIRMAN
DIN: 01260862

CEO & CFO CERTIFICATION

To,
The Board of Directors,
Gajra Bevel Gears Ltd.
Industrial Area, A.B. Road
Dewas (M.P.) 455001

Dear Sirs

We have reviewed the Financial Statements read with the cash flow statement of Gajra Bevel Gears Ltd. for the year ended 31st March, 2014 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

We further certify that, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit.

We have indicated to the Auditors and the Audit Committee that there is

1. No significant change in internal control over financial reporting during the year
2. No significant change in accounting policies during the year under review and
3. No instance of any fraud in the company in which the management has any role.

Place: Indore

ATUL RANGNEKAR

RANVEER SINGH

Date: 14.08.2014 **CHIEF FINANCIAL OFFICER**

CHIEF EXECUTIVE OFFICER

AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members,

We have examined the compliance of conditions of Corporate Governance by Gajra Bevel Gears Ltd. for the year ended 31st March, 2014 as stipulated in Clauses 49 of the Listing Agreement with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance applicable as aforesaid.

As required by the Guidance Note issued by the ICAI, on the basis of information and explanations given to us, we have to state that no investor grievances were pending for a period of one month.

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

**For, O.T.GANDHI & Co.
CHARTERED ACCOUNTANTS**

**SAMEEP GANDHI
PARTNER**

M.No. 411107

F.R.No. 001120C

Place: Indore

Date: 14th August, 2014

O.T.Gandhi & Company

Chartered Accountants

3rd Floor Surya Sadhna Building M.R.9

Square, A.B. Road, Indore (M.P.)

Ph.No: 0731-4020888, Mob: 98934-44444

Email:otgindia1585@gmail.com

INDEPENDENT AUDITORS REPORT

TO

THE MEMBERS OF

M/S GAJRA BEVEL GEARS LIMITED

Report on the Financial Statement

We have audited the accompanying financial statements of M/S Gajra Bevel Gears Limited which comprise the Balance Sheet as at 31st March 2014, and the statement of Profit & Loss and Cash Flow Statement for the Period ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 31st, 2014
- (b) In the case of Profit & Loss Account, of the loss of the Company for the Period ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the Period ended on that date.

Report on Other Legal and regulatory Requirement

1. As required by required by the Companies (Auditor's Report) Order,2003 ("the Order") issued by Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Accounts;
 - (d) In our opinion, Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in Sub-Section 3(C) of sec-211 of Companies Act,1956; and
 - (e) On the basis of written representation received from the directors as on March 31st, 2014 and taken on record by by the Board of Directors, none of the directors is disqualified as on March 31st, 2014 from being appointed as the directors in terms of sec-274(1) (g) of the Companies Act, 1956;

Attention is invited to the following:

- a. As stated in Note No.1 (iii), expenditure of revenue nature incurred on Research and Development and Technical know-how fees/expenses on exhibition of prototype of products which are, according to the company, expected to be technically /commercially viable, is written off over a period of five years. This is generally accepted accounting method and necessarily involves technical/commercial estimates by the management pertaining to future period, on which we have relied upon.
- b. Note No. 1 (xIv) regarding non-disclosure of the information relating to Small Scale Industrial Undertaking.
- c. As stated in Note No. 1 (xv) accumulated losses have eroded entire net worth of the Company and have made the company financially sick. Based on the Audited Balance Sheet as on 30.09.2008 a reference u/s15 (1) of SIC (SP) Act, 1985 has been filed by company with the BIFR and the same has been registered as case no.

27/2009 on 30.07.2009. the BIFR vide its order of hearing held on 06.01.2010 declared the company a SICK INDUSTRIAL COMPANY in terms of section 3(1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985 and appointed IDBI as the operating agency (OA). As informed by the management, there is no manufacturing/business activity in the company after 31.10.2006. The management of the company is making positive efforts for rehabilitation of the company and in course of that, has already done the OTS of loan accounts of State Bank of India, IFCI, IDBI, MPAVN and MPSIDC and negotiations are in process with M.P. Financial Corporation for OTS. The Company has paid in full of OTS amount to SBI and IFCI and has also made substantial payment to IDBI ,MPAVN and MPSIDC towards the OTS.

Subject to above, in our opinion and to the best of information and according to the explanation given to us, the said accounts read with the notes there on, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- I. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2014
- II. In the case of the Profit & Loss Account, of the **Loss** for the Period ended on that date.

O.T. Gandhi & Co.
Chartered Accountants
FRN: 001120C
By the hand of

Sameep Gandhi (Partner)
M.No.411107
Place - Indore
Date:- 30th MAY 2014

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Due to seizer of the premises by the Provident Fund Authorities, fixed assets of the Company could not be physically verified by the management of the Company during the year and therefore, we are unable to express our opinion in this regard.
- (c) As reported by the management , no substantial part of fixed assets has been disposed off during the period.
2. (a) The inventories in respect of the stocks held could not be physically verified by the management during the period due to the seizer of the factory premises by the Provident Fund Authorities.
- (b) The records of inventory maintained by the Company up to the date of seizer of factory premises by the Provident Fund Authorities remained unchanged during the period and management of the Company is of the opinion that no

discrepancies have taken place between the physical stock and book records. In this respect we have relied upon the undertaking given by the management of the Company.

3. (a) The company has not granted any loan, secured or unsecured to companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company had taken loan from 2 companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.2746.94 Lacs(Previous Year Rs. 2531.04 Lacs) and the year-end balance of loans taken from such parties was Rs.2746.94 Lacs subject to note no. (xx) of note -1. In our opinion, the terms and conditions on which loans have been taken from the companies are not, prima facie, prejudicial to the interest of the company.
4. There is no manufacturing and business activity In the Company after 31st October' 2006 and also due to the seizure of factory premises of the Company by the Provident Fund Authorities there was no need to commensurate any internal control procedure for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit, we have observed that there has not been any purchase of inventory and fixed assets and sale of goods during the year.
- 5 (a) In our opinion and according to the information and explanations given to us, transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, these transactions have been made at prices, which are reasonable having regard to prevailing market price at the relevant time.
6. In our opinion and according to information and explanation given to us the company has not accepted any deposit from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 during the period.
7. The company has system of internal audit commensurate with size and the nature of the business.
8. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Govt. for the maintenance of cost records under section 209(1) (d) of the Act. We are of the opinion that prima facie the prescribed accounts and records are not required to be maintained.
9. (a) Owing to the financial sickness, the Company has been irregular in depositing with the appropriate authorities even the undisputed statutory dues like EPF contribution, ESIC contribution, Commercial Tax, Income Tax and Excise Duty.

Nature of Dues	Amount (Rs. In Lacs)
Provident Fund Contribution (Net of Instalment, payments made) As per Demand note dated 03-03-2011	117.77
E.S.I.C Contribution	62.50
Commercial Tax	165.63
Income Tax Demand	149.11
Excise Duty	48.51

- (b) Assessed demands of commercial tax, against which the company has preferred for Revision before the Competent Authority have not been accounted for as liability are as under:

Assessment Year	Assessed demand (Rs. In Lacs.)
1999-2000	16.64
2001-2002	27.72
2002-2003	48.09
2005-2006	267.81
2006-2007	205.35

TOTAL 565.61

10. The net worth of the company has already been eroded during the year ended on 30.09.2005 and there were further cash losses incurred by the company during the years ended on 30.09.2006 to 31.03.2014 and in the period covered by our audit.
11. As per the records of the company and based on our audit procedures, during the year, the company has in most of the cases defaulted in payment of dues to Financial Institutions. Such defaults are of a period exceeding 180 days. Refer sub note No. xix of Note – 1 in respect of charge of interest for the period covered by our audit.
12. Since company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities, paragraph 4(xii) of the Order is not applicable.
13. The company is not carrying business of chit fund for Nidhi/ Mutual benefit fund / society. Therefore the provision of clause 4 (xiii) of the order is not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order is not applicable.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from the banks and financial institutions, paragraph 4(xv) of the Order is not applicable
16. In our opinion, the Term Loan taken in past have been used for the purpose for which they were raised.
17. According to the information and explanation given to us and on an overall examination of the Books of Accounts and Balance Sheet of the company, we report that funds raised on short-term basis have not been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. Since the company has not issued any debentures during the year to raise the funds, paragraph 4(xix) of the Order is not applicable.

20. Since the company has not raised any fund by public Issue (s) during the year, paragraph 4(xx) of the Order is not applicable.
21. Based on the audit procedure performed and the information and explanation given by the management we report that no fraud on or by the company has been noticed or reported during the course of our audit.

O.T. Gandhi & Co.
Chartered Accountants
FRN: 001120C
By the hand of

Sameep Gandhi (Partner)
M.No.411107
Place - Indore
Date:- 30th MAY 2014

Gajra Bevel Gears Limited
Balance Sheet as at 31st March 2014

	Notes	31 March 2014	30 June 2013
		In `	In `
Equity and Liabilities			
Shareholders' funds			
(a) Share capital	2	94,041,579.00	94,041,579.00
(b) Reserves and surplus	3	(471,997,130.99)	(383,932,255.89)
		(377,955,551.99)	(289,890,676.89)
Non-current liabilities			
(a) Secured Loans	4	127,523,736.00	155,760,736.00
(b) Unsecured Loans	5	274,694,254.65	253,103,933.65
(c) Long-term provisions	6	18,885,611.00	18,885,611.00
		421,103,601.65	427,750,280.65
Current liabilities			
(a) Short-term provisions	7	31,603,787.00	1,904,663.00
(b) Trade payable	8	59,688,222.64	74,462,127.00
		91,292,009.64	76,366,790.00
TOTAL		134,440,059.30	214,226,393.76
Assets			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	2,323,305.00	2,834,787.00
(ii) Intangible assets	10	-	14,560,201.00
(b) Investments	11	585,000.00	585,000.00
(c) Capital Work in Progress and advance against Capital expenditure		4,593,589.00	4,593,589.00
		7,501,894.00	22,573,577.00
Current assets			
(a) Inventories	12	38,083,050.00	38,083,050.00
(b) Trade receivables	13	69,001,859.45	123,943,812.14
(c) Cash and cash equivalents	14	7,519,579.23	9,184,086.00
(d) Loans and Advances	15	12,333,676.62	20,441,868.62
		126,938,165.30	191,652,816.76
TOTAL		134,440,059.30	214,226,393.76
Significant accounting policies and notes to accounts	1-22		

As per our Report annexed

O.T. Gandhi & Co., Chartered Accountants

By the hands of

1

For and on behalf of

2

Sameep Gandhi

Partner

M.No.411107

Indore Dt.30th May' 2014

3

Mr. Surendra Singh
(Managing Director)

Mr. P.S. Raghuvanshi
(Director)

4

Mr. Atul Rangnekar (CFO)

Ms. Shivani Khandelwal (C.S.)

Gajra Bevel Gears Limited
Statement of profit and loss for the year ended 31st March, 2014

Particulars	Notes	31 March 2014 In `	30 June 2013 In `
Income			
Revenue From Operations		-	-
Other income	16	9,584,503.00	10,800.00
Total Revenue (I)		9,584,503.00	10,800.00
Expenses			
Cost of material consumed	17	-	-
(Increase)/Decrease in Stock	18	-	-
Other expenses	19	44,221,584.10	694,453.74
Total (II)		44,221,584.10	694,453.74
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)			
		(34,637,081.10)	(683,653.74)
Finance Cost		-	-
Depreciation and Amortization expense	20	15,071,683.00	1,798,541.00
Profit before tax		(49,708,764.10)	(2,482,194.74)
Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total Tax Expense		-	-
Less : Provision for Income Tax & Commercial Tax Liabilities of Earlier Years	21	38,356,111.00	-
Profit for the period		(88,064,875.10)	(2,482,194.74)
Earnings per equity share	22	(9.37)	(0.26)
Significant accounting policies and notes to accounts	1-22		

As per our Report annexed

O.T. Gandhi & Co.,Chartered Accountants

By the hands of

1

Sameep Gandhi

Partner

M.No.411107

Indore Dt.30th May' 2014

For and on behalf of

2

Mr. Surendra Singh
(Managing Director)

Mr. P.S. Raghuvanshi
(Director)

3

4

Mr. Atul Rangnekar (CFO)

Ms. Shivani Khandelwal (C.S.)

GAJRA BEVEL GEARS LTD.

CASH FLOW STATEMENT FOR THE YEAD ENDED 31st March 2014

	31.03.2014	30.06.2013
	(9 Months)	(9 Months)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit(Loss) before tax and extraordinary items	(49,708,764.10)	(2,482,194.74)
Adjustment for :		
-Depreciation	15,071,683.00	1,798,541.00
-Interest Expenses	-	-
-Interest Waiver	(9,530,421.00)	
-Interest Income	(23,662.00)	
-Dividend Income	(30,420.00)	(10,800.00)
Operating profit before working capital change	(44,221,584.10)	(694,453.74)
Increase/(decrease) in Short Temr Provisions	(85,928.00)	15,863.00
Increase/(decrease) in Trade Receivables.	54,941,952.69	560,586.74
Increase/(decrease) in Trade Payables	(14,773,904.36)	(4,661,044.00)
Cash generated from (used in) Operation :	(4,139,463.77)	(4,779,048.00)
Direct Taxes		-
Net Cash Flow from /(used in) Operating activity	(4,139,463.77)	(4,779,048.00)
Cash flow from investing activities		
Decrease in Loans & advances	(462,867.00)	50,000.00
Interst Income	23,662.00	-
Dividend Income	30,420.00	10,800.00
Net Cash Flow from /(used in) Investing activity	(408,785.00)	60,800.00
CASH FROM FINANCING ACTIVITIES		
Proceeds from loan	21,590,321.00	28,863,498.00
Repayment of loan	(28,237,000.00)	(25,000,000.00)
Finance Cost	-	-
-Interest Waiver	9,530,421.00	
	-	-
Net Cash Flow from /(used in) in financing activity	2,883,742.00	3,863,498.00
NET (Increase) / Decrease IN CASH AND CASH EQUIVALANTS (A + B + C)	(1,664,506.77)	(854,750.00)
Cash and cash equivalent at beginning of year	9,184,086.00	10,038,836.00
Cash and cash equivalent at end of the year	7,519,579.23	9,184,086.00

Note :

- 1) INCLUDE JOURNAL ENTRIES OF THEIR SISTER CONCERN EITHER PAID ON BEHALF OR OTHERWISE
- 2) Previous year figure have been rearranged/regrouped wherever necessary.

As per our Report annexed

O.T. Gandhi & Co.,Chartered Accountants

By the hands of

1

Sameep Gandhi

Partner

M.No.411107

Indore Dt.30th May' 2014

3

For and on behalf of

2

Mr. Surendra Singh
(Managing Director)

Mr. P.S. Raghuvanshi
(Director)

4

Mr. Atul Rangnekar (CFO)

Ms. Shivani Khandelwal (C.S.)

Notes to financial statements for the period ended 31st March 2014

1. Significant accounting policies

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the standards on accounting issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956. The significant accounting policies are as follows:

(i) Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgment, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(ii) Tangible Fixed Assets:

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation on tangible fixed assets is calculated on straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the schedule XIV to the Companies Act, 1956, whichever is higher.

(iii) Intangible Fixed Assets:

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence existence to the affect that useful life of an intangible asset exceed five years, the company amortizes the intangible asset over the best estimate of its useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimates, the amortization period is changed accordingly.

Research and Development:

Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of five years. Amortization is reorganized in the statement of profit and loss. Expenditure of capital nature is added to the fixed assets.

Expenditure of deferred revenue nature incurred on Research and development of products which are expected to be technically/commercially viable are written off over a period of 5 years from the year of commencement of its commercial production. As certified by the company Rs 1287059/- on account of amortization of such expenditure have been charged to profit and loss account

Technical Know-how/Exhibition Expenses:

Technical Know-how fees/ expenses on exhibition of proto-type of a product under development which is expected to be technically/ commercially viable will be written off over a period of five years from the year of commencement of its commercial production.

(iv) Investments:

Investments, which are readily realizable and indented to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

(v) Inventories:

Inventories are valued at the lower of cost and net releasable value except in the case of tools in stores and spares which are valued at cost and tools in tool crib which are valued at the book value.

The cost of purchase material is determined on the FIFO method.

Work-in-progress and manufacturing goods are valued at lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

The cost of tools in tool crib is amortized over useful life of tools. Consumables are charged to the statement of profit and loss in the year of purchase.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(vi) Revenue Recognition:

There has not been any sale of goods and services during the period. Although revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects the sales tax and VAT on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the period.

Income from Services:

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Dividends:

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

(vii) Retirement and other employee benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provided fund is charged to the statement of profit and loss for the period when the contributions are due. Owing to the financial sickness, the Company has been irregular in depositing the provided contribution with the appropriate authorities

The company operates gratuity plan for the benefit of its employees. The cost of providing benefit under gratuity is determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for gratuity plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats its accumulated leave expected to be carried forward beyond 12 months, as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end.

(viii) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average no. of equity shares outstanding during the period. The weighted average no. of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reserve share split (consolidation of shares) that have changed the no. of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average no. of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Earning per Share

Particular	31.03.2014	30.06.2013
Net profit available for equity shareholders	(88067965)	(2482195)
Basic and Diluted EPS of face value of Rs. 10/- each	(9.37)	(0.26)

(ix) Provisions:

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date adjusted to reflect the current best estimates.

(x) Contingent Liability:

A contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(Rs. in lacs)

a) Claims against the company not acknowledged as debt in respect of :	31.03.2014	30.06.2013
Assessed demand of Commercial Tax for which the Company has preferred for revision before the competent Authority.	Rs.565.61	Rs.621.88
<u>Assessment Yr.</u>	<u>Demand Rs. in Lacs.</u>	
1990-2000	16.64	
2001-2002	27.72	
2002-2003	48.09	
2005-2006	267.81	
2006-2007	205.35	
In respect of amount of Interest liability/penalty on delayed/ nonpayment/ non and late deduction of statutory dues	Amount unascertainable	Amount unascertainable

b) (i) Contingent liabilities that may arise due to delayed/ noncompliance of certain fiscal statues and claims lodged by the ex-employees- amounts are unascertainable.

(ii) The financial liabilities on the account of legal cases pending against the company amounts are unascertainable.

(xi) Cash and Cash Equivalents:

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments (if any) with an original maturity of three months or less.

(xii) Income Tax:

a) **Deferred Taxes:** The Company has carry forward losses and unabsorbed depreciation available for set-off under the Income Tax Act, 1961. However, in view of present uncertainty regarding generation of sufficient future income, net deferred tax assets at the yearend including related credit / charges for the year have not been recognized in these accounts on prudent basis.

b) **Current Taxes:** In view of carry forward losses and unabsorbed depreciation, the Company does not expect any current tax liability for the Financial Years 2007-08 to 2013-14 (Assessment Years 2008-09 to 2014-15) and hence no provision has been made for current taxes for these years.

(xiii) Related Parties:

Associate of the Company and concern in which Key Management Personnel have significant influence are as follows:

- a) M/s. Garha Gears Ltd.
- b) M/s. Garha Utilbrocce Tools Ltd.
- c) M/s. S&H Gears Pvt. Ltd.
- d) M/s. Garha Auto Distributors
- e) M/s. Kshipra Gears
- f) M/s. Abhimanyu Agro Pvt. Ltd.
- g) M/s. Rani Agro Pvt. Ltd.

Key management personnel

- a) Shri Surendra Singh: Managing Director
- b) Shri Atul Ragnekar: CFO
- c) Ms. Shivank Khandelwal: CS

Amount due to related parties (Associate Concerns) on balance sheet date is Rs.27,46,94,255/-

(xiv) The Company does not possess information as to which of its suppliers are ancillary industrial undertakings/ small scale industrial undertakings holding permanent registration certificate issued by the Directorate of Industries of a State or Union territory. Consequently, the liability, if any, of interest which would be payable under The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1992 cannot be ascertained. However, the Company has not received any claims in respect of interest.

The Company does not possess information as to which of suppliers are Small Scale Industrial Undertakings. Accordingly, the information regarding total outstanding dues to Small Scale Industrial Undertakings as at the year end and that regarding the names of Small Scale Industrial undertakings to whom the Company owes more than Rs.1.00 lakh and outstanding for more than 30 days has not been compiled and hence not disclosed by the Company.

- (xv) The net worth of the Company has been eroded on account of the losses of year ended on 30.09.08. Based on the ABS as on 30.09.08 the company has filed the reference U/s 15(1) of SIC (SP) Act, 1985 before BIFR, and the same has been registered as case No. 27/2009 on 13.07.2009. The BIFR vide its order of hearing held on 06.01.2010 declared the Company a SICK INDUSTRIAL COMPANY in terms of section 3(1) (o) of Sick Industrial Companies (Special Provisions) Act 1985 and appointed IDBI as the Operating Agency (OA). The Operating Agency is in process to formulate a rehabilitation scheme for revival of the Company. Meantime, the promoters of the Company are putting best of their efforts for One Time Settlement (OTS) of loans from the Secured Lenders and have succeeded in OTS with SBI, IDBI, IFCI and MPSIDC.
- (xvi) Being the company under BIFR, interest on the loans from financial institutions has not been provided for in the accounts for the years ended 30.09.2007 to 31.03.2014 which otherwise works out to as follows:

Accounting Year ended	upto Accounting year ended on
<u>31.03.2014</u>	<u>30.06.2013</u>
Rs. 8794920	Rs. 70359360

- (xvii) The unsecured loans are received from the companies of the promoters group to start the operation of the company. The interest rate on the said loans are not decided yet and hence no provisions for any interest payable, if any, is made in the accounts.
- (xviii) In view of no manufacturing / business activity in the company through out the years ended on 30.09.2009 to 30.09.2012, the management of the company is of the opinion "NO WORK NO PAY" and accordingly no provision has been made in the accounts in respect of Salaries, Wages, Allowances and benefits to the employees of the Company, which otherwise works out to as follows:

(Amount in Rs.)

Particulars	31.03.2014	30.06.2013	30.09.2012	30.09.2011	30.09.2010	30.09.2009
Salaries and wages	5941913	5941913	7922551	7922551	7922551	7922551
Dearness allowances	10061196	10061196	13414928	13414928	13414928	13414928
Other allowances	4097494	4097494	5463326	13414928	13414928	13414928
Contribution to PF	2260741	2260741	3014321	3014321	3014321	3014321
Contribution to ESIC	1162786	1162786	1550381	1550381	1550381	1550381
Total	23524130	23524130	31365507	31365507	31365507	31365507

However, the Management of the Company is in dialogs with the Workers' Union for settlement of their dues amicably.

(xix) Measurement of EBITDA:

As permitted by the guidance note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of the profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expenses, finance costs and tax expense.

(xx) Previous year figures have been regrouped and rearranged wherever necessary.

(xxi) Change in Accounting Year which are yet to be finally paid / settled

During the year under review, the Company has changed its accounting year from 12 months to 9 months resulting the present accounting is for 9 months only commencing from 1st July' 13 to 31st March'14 and therefore figure of previous year are not comparable.

Gajra Bevel Gears Limited
NOTES FORMING PART OF BALANCE SHEET

Note - 2 : Share Capital

Share Capital	31 March 2014		30 June 2013	
	Number	In	Number	In
Authorised				
13000000 Equity Shares of Rs. 10/- each	13,000,000	130,000,000.00	13,000,000	130,000,000.00
Issued				
9400750 Equity Shares of 10/- each	9,400,750	94,007,500.00	9,400,750	94,007,500.00
Add: Forefeited Share Amount		34,079.00	-	34,079.00
	<u>9,400,750</u>	<u>94,041,579.00</u>	<u>9,400,750</u>	<u>94,041,579.00</u>
Subscribed & fully Paid up				
Equity Shares of 10/- each	9,400,750	94,007,500.00	9,400,750	94,007,500.00
Add: Forefeited Share Amount		34,079.00	-	34,079.00
Total	<u>9,400,750</u>	<u>94,041,579.00</u>	<u>9,400,750</u>	<u>94,041,579.00</u>

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares			
	31 March 2014		30 June 2013	
	Number	In	Number	In
Shares outstanding at the beginning of the year	9,400,750	94,007,500.00	9,400,750	94,007,500.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>9,400,750</u>	<u>94,007,500.00</u>	<u>9,400,750</u>	<u>94,007,500.00</u>

Details of Equity Shares held by Shares holders holding more than 5% of the Aggregate Shares of the Company

Name of Shareholder	Equity Shares			
	31 March 2014		30 June 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Surendra Singh Garah	1926980	20.50%	1926980	20.50%
IDBI Bank Ltd.	1746124	18.57%	1777271	18.91%
	<u>3673104</u>	<u>39.07%</u>	<u>3704251</u>	<u>39.41%</u>

Gajra Bevel Gears Limited
NOTES FORMING PART OF BALANCE SHEET

Note - 3 : Reserve & surplus

Reserves & Surplus	31 March 2014	30 June 2013
	In `	In `
A) Share Premium	14,758,450.00	14,758,450.00
B) Profit & Loss account		
As per last Balance Sheet	(405,616,617.89)	(403,134,423.15)
Addition during the year	(88,064,875.10)	(2,482,194.74)
C) Capital Reserve	11,448.00	11,448.00
D) Capital Subsidy	1,914,464.00	1,914,464.00
E) Debenture Redemption Reserve	5,000,000.00	5,000,000.00
Total	(471,997,130.99)	(383,932,255.89)

Note- 4 : Secured Loans

Secured Loans	31 March 2014	30 June 2013
	In `	In `
IDBI -EFTL/WCTL/FITL	16,648,696.00	26,768,696.00
IFCI - TL/FITL	-	12,218,769.00
MPFC-WCTL/FITL	75,655,225.00	75,655,225.00
MPSIDC(ICD) & MPAVN Sales Tax Loan	1,800,000.00	7,698,231.00
Debentures- IDBI	33,419,815.00	33,419,815.00
Total	127,523,736.00	155,760,736.00

- a) Debentures are secured by way of hypothecation of the company's all movable properties both present and future. These debentures are also secured by way of first charge on the present and future immovable properties of the company by a joint equitable mortgaged by deposit of title deeds. In view of the OTS with IDBI, there is a possibility of waiver of interest on IDBI Loans and therefore, no interest has been provided for the period under consideration on debenture issued to IDBI. Subject to note (c) below.
- b) IDBI-EFTL/WCTL/FITL and IFCI-TL/FITL above are secured by a joint equitable mortgaged by deposit of title deeds of immovable properties of the company and also by way of hypothecation of all movable asset of company (save and except book debts) both present and future. further, item 3(c) above is also secured by exclusive hypothecation of whole plant and machinery acquired by this loan.
- c) IDBI has given consent for OTS of their loans at an amount of Rs. 345 Lacs vide letter dated 05.02.2012 giving the waiver of interest subject to full and final payment of OTS amount as per the terms of OTS. Since the Company has delayed in the payment of OTS amount in terms of OTS there was an interest liability which has not been yet finalized and paid by the Company and therefore no entry has been passed for the waiver of interest received under the OTS in respect of amount shown outstanding towards IDBI - EFTL/WCTL/FITL and Debentures.
- d) Interest free sales tax loan from-MPAVN Ltd is secured by way of second charge on movable and immovable properties of the company.
- e) MPFC-WCTL/FITL and MPSIDC(ICD) are secured by way of hypothecation of all movable assets of the company (save and except book debt) both present and future.
- f) Secured loans shown in above as IDBI-EFTL/WCTL/FITL, IFCI-TL/FITL, Interest free sales tax loan from-MPAVN Ltd, MPFC-WCTL/FITL, MPSIDC(ICD) and Debentures have been personally guaranteed by the promoter directors of the company.
- g) Term loans are shown inclusive of interest accrued thereon upto the year ended on 30-09-2006.
- h) Loans from MPAVN and MPSIDC have also been settled in Lok Adalat held on 19.11.2011 at Bhopal in total at Rs. 198 Lacs against which the Company has already paid the agreed amount but due to some deviation in the decision of MPSIDC dispute regarding payment of Rs.18.00 Lacs is still pending in the District Court, Bhopal.

Note- 5 : Unsecured Loans

Unsecured Loans	31 March 2014	30 June 2013
	In `	In `
Rani Agro Pvt. Ltd.	47,778,099.03	32,355,272.03
Abhimanyu Agro Pvt. Ltd.	226,916,155.62	220,748,661.62
Total	274,694,254.65	253,103,933.65

Note- 6 Long-term provision		31 March 2014	30 June 2013
		ln `	ln `
Gratuity payable		17,424,235.00	17,424,235.00
Leave encashment payable		1,461,376.00	1,461,376.00
Total		18,885,611.00	18,885,611.00

Note- 7 Short-term provision		31 March 2014	30 June 2013
		ln `	ln `
Audit fees provision		25,000.00	25,000.00
Fringe benefit tax & TDS		-	92,423.00
DIC Lease payable		4,500.00	-
TDS on security charges		1,074.00	7,059.00
Professional tax payable		7,500.00	5,000.00
Rent payable		49,680.00	12,420.00
TDS on Professional Fees		-	15,000.00
Security Charges Payable		40,758.00	58,212.00
Certification Charges Payable		674.00	-
Commercial Tax Payable		16,563,103.00	1,689,549.00
Income Tax & Penalties Payable		14,911,498.00	-
Total		31,603,787.00	1,904,663.00

Note-8 Trade payable		31 March 2014	30 June 2013
Trade payable		ln `	ln `
Sundry creditor		59,688,222.64	74,462,127.00
Total		59,688,222.64	74,462,127.00

Gajra Bevel Gears Limited

NOTES FORMING PART OF BALANCE SHEET

Note- 9 : Fixed Assets

(In `)

S.No.	Particulars	Gross Block				Depreciation				Net Block	
		Cost As On 01.07.2013	Additions During The Year	Sale / Disposal During The Year	Total As On 31.03.2014	Upto 01.07.2013	For The Year	Adjustme nt	Upto 31.03.2014	Net Carrying Amount As On 31.03.2014	Net Carrying Amount As On 30.06.2013
1	Leasehold-Land	15,228.00	-	-	15,228.00	6,086.00	114.00	-	6,200.00	9,028.00	9,142.00
2	Factory Building	20,163,919.00	-	-	20,163,919.00	17,348,937.00	505,106.00	-	17,854,043.00	2,309,876.00	2,814,982.00
3	Plant & Machinery	237,101,281.00	-	-	237,101,281.00	237,101,281.00	-	-	237,101,281.00	-	-
4	Office Equipments	11,511,184.00	-	-	11,511,184.00	11,511,184.00	-	-	11,511,184.00	-	-
5	Furniture & Fixture	4,368,442.00	-	-	4,368,442.00	4,368,442.00	-	-	4,368,442.00	-	-
6	Electrical appliance	3,038,849.00	-	-	3,038,849.00	3,038,849.00	-	-	3,038,849.00	-	-
7	Canteen equipments	326,124.00	-	-	326,124.00	315,461.00	6,262.00	-	321,723.00	4,401.00	10,663.00
8	Medical equipments	14,157.00	-	-	14,157.00	14,157.00	-	-	14,157.00	-	-
9	Vehicle	4,483,380.00	-	-	4,483,380.00	4,483,380.00	-	-	4,483,380.00	-	-
	Total	281,022,564.00	-	-	281,022,564.00	278,187,777.00	511,482.00	-	278,699,259.00	2,323,305.00	2,834,787.00
	Previous Year	281,022,564.00			281,022,564.00	277,676,295.00	511,482.00	-	278,187,777.00	2,834,787.00	3,346,269.00

Note: This year being 9 months year ending ,the Depreciation is provided on prorata basis for 9 months period.

Note 10: Intangible Asstets

Other Non-Current Assets	31 March 2014 In `	30 June 2013 In `
Research and Development Expenses (net of recoveries)	9,264,179.00	10,551,238.00
Less: Amortization / Written Off	9,264,179.00	1,287,059.00
Total (A)	-	9,264,179.00
Technical Know-how/Exhibition expenses	5,296,022.00	5,296,022.00
Less: Written Off	5,296,022.00	
Total (B)	-	5,296,022.00
Total (A +B)	-	14,560,201.00

Note 11: Investments

Investments	31 March 2014 In `	30 June 2013 In `
7200 equity shares of IDBI, Rs 10 each(Quoted)	585,000.00	585,000.00
Total	585,000.00	585,000.00

Note 12 : Inventories

Inventories	31 March 2014 In `	30 June 2013 In `
Raw Material	2,554,755.00	2,554,755.00
Work In Progress	7,110,395.00	7,110,395.00
Finished Goods	11,075,598.00	11,075,598.00
Packing Material	2,816.00	2,816.00
Indigenous tools and spares	15,326,118.00	15,326,118.00
imported loose tools and spares	2,013,368.00	2,013,368.00
(As certified by the management)		
Total	38,083,050.00	38,083,050.00

Note13 : Trade Receivable

Trade Receivables	31 March 2014 In `	30 June 2013 In `
Unsecured and considered goods:		
More than six months	69,001,859.45	123,943,812.14
Unsecured and considered doubtful:		
More than six months	-	150,000.00
	69,001,859.45	124,093,812.14
Less: Provision for doubtful debt	-	(150,000.00)
Total	69,001,859.45	123,943,812.14

Note 14 : Cash and Cash Equivalent

Cash and cash equivalents	31 March 2014 In `	30 June 2013 In `
Balances with banks		
Current accounts	7,519,579.23	59,086.00
IDBI NO-Lien account	-	9,125,000.00
Cash on hand	-	-
Total	<u>7,519,579.23</u>	<u>9,184,086.00</u>

Note 15 : Loans & Advances

Loans and Advances	31 March 2014 In `	30 June 2013 In `
Unsecured (Considered Good unless otherwise stated)		
Advances Recoverable in cash or in kind	6,669,850.62	6,669,850.62
Considered doubtful	-	64,462.00
	<u>6,669,850.62</u>	<u>6,734,312.62</u>
Less: Provision for doubtful advances	-	(64,462.00)
	<u>6,669,850.62</u>	<u>6,669,850.62</u>
Income tax payment / TDS receivable	2,102.00	8,571,059.00
Security Deposits	5,200,959.00	5,200,959.00
Margine Money Fixed Deposit	460,765.00	-
Total	<u>12,333,676.62</u>	<u>20,441,868.62</u>

Note 16 : Other Income

Particulars	31 March 2014 In `	30 June 2013 In `
Dividend Income From IDBI Shares	30,420.00	10,800.00
Interest on bank deposit	23,662.00	-
Waiver of Interest on OTS of Financial Institutions	9,530,421.00	-
Total	<u>9,584,503.00</u>	<u>10,800.00</u>

Note 17 : Cost of Material Consumed

Particulars	31 March 2014 In `	30 June 2013 In `
Opening stock of raw material	2,554,755.00	2,554,755.00
Add: Purchase during the year	-	-
Closing stock of raw material	2,554,755.00	2,554,755.00
Total	<u>-</u>	<u>-</u>

Note 18 : Details of changes in Stock

Particulars	31 March 2014 In `	30 June 2013 In `
Increase/decrease in Stock		
Inventories at the Closing of the year		
As at 31st March 2014		
Work in progress	7,110,395.00	-
Finished goods	11,075,598.00	-
Inventories at the Beginning of the year		
As at 31st March 2013		
Work in progress	7,110,395.00	7,110,395.00
Finished goods	11,075,598.00	11,075,598.00
As at 31st March 2012		
Work in progress	-	7,110,395.00
Finished goods	-	11,075,598.00
Increase/ decrease	<u>-</u>	<u>-</u>

Note 19 : Other Expenses

	31 March 2014	30 June 2013
(A) Payments to the Auditor	In `	In `
Auditor's Fees	25,000.00	25,000.00
Total	25,000.00	25,000.00

	31 March 2014	30 June 2013
(B) Other Expenses	In `	In `
Rent	116,280.00	113,280.00
Certification charges	9,742.00	9,500.00
Balances Written Off	42,897,443.10	-
Interest on TDS	4,974.00	-
Legal expenses & fees	107,330.00	-
Office expenses	-	70,022.74
Printing & stationery	34,524.00	7,500.00
Professional fees	427,680.00	227,500.00
Professional tax	2,500.00	2,500.00
Security charges	539,813.00	226,996.00
Stock exchange charges	22,472.00	-
Travelling expenses	14,000.00	6,460.00
Bank charges	19,826.00	695.00
Courier Charges	-	5,000.00
Total	44,196,584.10	669,453.74
Total (A+B)	44,221,584.10	694,453.74

Note 20 : Depreciation and Amortisation Expenses

	31 March 2014	30 June 2013
	In `	In `
Depreciation	511,482.00	511,482.00
Amortisation on Expenses	14,560,201.00	1,287,059.00
Total	15,071,683.00	1,798,541.00

Note-21 : Earlier Years Expenses / Taxes

	31 March 2014	30 June 2013
	In `	In `
Commercial Tax of A.Y. 2003-04	8,063,932.00	-
Commercial Tax of A.Y. 2004-05	6,809,622.00	-
Income Tax Payments upto A.Y. 2001-02	8,571,059.00	-
Income Tax Demand of A.Y. 2002-03	5,376,595.00	-
Income Tax Demand of A.Y. 2003-04	9,534,903.00	-
Total	38,356,111.00	-

Note-22 : Earning Per Share

	31 March 2014	30 June 2013
EPS	In `	In `
Profit attributable to equity shareholders	(88,064,875.10)	(2,482,194.74)
No. of shares	9,400,750.00	9,400,750.00
Earning Per Share-basic & Diluted	(9.37)	(0.26)

PROXY FORM**FORM MGT- 11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name : GAJRA BEVEL GEARS LIMITED
CIN : L34300MP1974PLC001598
Regd office : Industrial Area, A.B. Road
Dewas (M.P.) 455001

Name of the member (s) :
Registered address :
E-mail Id :
Folio No/ Client Id :
DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature :, or failing him

2. Name :
Address :
E-mail Id :
Signature :, or failing him

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 39th Annual general meeting of the company, to be held on the 30th September, 2014 at the Registered Office at Industrial Area, A.B. Road Dewas (M.P.) 455001 at 2.00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	
1.	Consider and adopt Audited Financial Statement, reports of the Board of directors and Auditor for the year ended 31 st March, 2014.
2.	Reappointment of Mr. Surendra Singh who is liable to retire by rotation being eligible offer himself for re-appointment.
3.	Appointment of Auditor and fixing their remuneration
4.	Special Resolution for appointment of Mr. Ranveer Singh as CEO of the Company
5.	Appointment of Mr. Parmal Singh Raghuwanshi as an Independent Director of the Company

6.	Appointment of Mr. Dwarika Prasad Soni as an Independent Director of the Company
7.	Appointment of Mrs. Rani Singh as Director of the Company
8.	Special Resolution for authority to the Board to create charge or otherwise dispose of the whole or substantially the whole of the undertaking of the Company under Section 180(1)(a) of the Company's Act, 2013.
9.	Special Resolution for authority to the Board to borrow money in excess of the Paid-up Capital and Free Reserves of the Company under Section 180(1)(c) of the Company's Act, 2013.

Signed this..... day of..... 2014

Signature of shareholder

Signature of Proxy holder(s)

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.

ATTENDANCE SLIP

39th Annual General Meeting of Gajra Bevel Gears Ltd. held on Tuesday, the 30th Sept., 2014
at the Registered Office of the Company at 2.00 P.M.

R.F. No. _____

Mr./Mrs./Miss _____

(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.

I/We hereby record my/our presence at the 39th Annual General meeting of the company at the Registered office of the company 30th September, 2014.

(If signed by proxy, his name should be written in block letters)

(Shareholders/proxy's Signature)

Note:

1. Shareholders/proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

BOOK POST

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Gajra Bevel Gears Limited
Industrial Area, Agra Bombay Road,
DEWAS - 455 001 (M.P.) INDIA




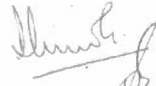
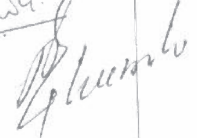

GAJRA BEVEL GEARS LIMITED

Regd. Office & Works : 3 - 7, Industrial Area, A.B. Road, DEWAS - 455 001 (M.P.) INDIA.

FTN No. L34370MP1974PLC001598

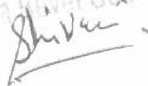
FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	GAJRA BEVEL GEARS LIMITED
2	Annual financial statements for the year ended	31.03.2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	To be signed by- - Chief Executive officer - Auditor of the company - Audit Committee Chairman - CFO	Mr. Ranveer Singh  CA Sameep Gandhi  Shri P.S.Raghuvanshi  Shri Atul Rangnekar 

For, GAJRA BEVEL GEARS LTD.


SHIVANI KHANDELWAL
COMPANY SECRETARY

For, Gajra Bevel Gears Ltd.

Company Secretary