



## GAJRA BEVEL GEARS LIMITED

CIN No-L34300MP1974PLC001591  
Regd. Office & Works : 3 - 7, Industrial Area, A.B. Road, DEWAS - 455 001 (M.P.) INDIA.  
E-mail - ssg@gajrabevel.com, secretary@gajrabevel.com  
Website - www.gajrabevel.com

GBGL/SE/SK/2016

CIN: L34300MP1974PLC001598

Email: [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)  
online filing at listing.bseindia.com

1<sup>st</sup> October, 2016

To,  
The General Manager  
DCS-CRD  
BSE Limited  
Dalal Street, Fort  
MUMBAI - 400001

**BSE CODE: 505711**


**Sub: Submission of the Approved and Adopted copy of the Annual Report in the 41<sup>st</sup> Annual General Meeting held on Friday 30<sup>th</sup> September, 2016.**

Dear Sir/Madam,

In compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we hereby submit a certified copy of the 41<sup>st</sup> Annual Report as approved and adopted by the members of the company at their 41<sup>st</sup> Annual General Meeting held on Friday, 30<sup>th</sup> September, 2016.

You are requested to please take on record the above said document for your reference and further needful.

Thanking You,  
Yours Faithfully,  
For, GAJRA BEVEL GEARS LTD.

  
SHIVANI KHANDELWAL  
COMPANY SECRETARY &  
COMPLIANCE OFFICER  
Encl.: a/a

  
Gajra Bevel Gears Limited  
Company Secretary

Corporate Office : 3/1, Race Course Road, INDORE (M.P.) 452 003 INDIA  
Phone : 0091-731-2434327



# GAJRA BEVEL GEARS LIMITED

41<sup>st</sup> Annual Report 2015-16



## ANNUAL REPORT 2015-16

### 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	:	Women Director

### Chief Executive Officer

Mr. Ranveer Singh

<b>CS &amp; COMPLIANCE OFFICER :</b>	<b>CHIEF FINANCIAL OFFICER:</b>
<b>CS Shivani Khandelwal :</b>	<b>Mr. Atul Rangnekar</b>

### AUDIT COMMITTEE

Mr. Parmal Singh Raghuwanshi	:	Independent Director-Chairman
Mr. Dwarika Prasad Soni	:	Independent Director- Member
Mr. Surendra Singh	:	Non-Executive Director- Member

### NOMINATION AND REMUNERATION COMMITTEE

1. Mr. Parmal Singh Raghuwanshi	:	Independent Director-Chairman
2. Mr. Dwarika Prasad Soni	:	Independent Director- Member
3. Mr. Surendra Singh	:	Non-Executive Director- Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Mr. Parmal Singh Raghuwanshi	:	Independent Director-Chairman
2. Mr. Dwarika Prasad Soni	:	Independent Director- Member
3. Mr. Surendra Singh	:	Non-Executive Director- Member

### RISK MANAGEMENT COMMITTEE

1. Mr. Surendra Singh	:	Non-Executive Director- Chairman
2. Mr. Parmal Singh Raghuwanshi	:	Independent Director- Member
3. Mr. Dwarika Prasad Soni	:	Independent Director- Member

### STATUTORY AUDITORS:

**O.T. Gandhi & Co.**

**Chartered Accountants**

4<sup>th</sup> Floor, Surya Sadhna Building  
Malviya Nagar Square, A.B. Road,  
Indore (M.P.)

### SECRETARIAL AUDITORS:

**CS Naveen Kumar Jain**

**Practicing Company Secretary**

207, Ojas Vally, 59 Shradhanand Marg  
Chhawani, Indore (M.P.) 452001

### 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](mailto:ssg@gajrabevel.com), [secretary@gajrabevel.com](mailto:secretary@gajrabevel.com)  
Website: [www.gajrabevel.com](http://www.gajrabevel.com)

**CORPORATE OFFICE:**

3/1, Race Course Road,  
Indore 452003  
Phone: 0731 2434327, 4065246  
Fax: 0731 2432909  
Email: [ssg@gajrabevel.com](mailto:ssg@gajrabevel.com)  
: [secretary@gajrabevel.com](mailto: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: [anuradha.bekal@linkintime.co.in](mailto:anuradha.bekal@linkintime.co.in)



## NOTICE

**Notice** is hereby given that the 41<sup>st</sup> Annual General Meeting of the members of **GAJRA BEVEL GEARS LIMITED** will be held on Friday the 30<sup>th</sup> day of September, 2016 at 2.00 P.M. at the Registered Office of the Company at 3-7, Industrial Area, A.B. Road, Dewas (M.P.) 455001 to transact the following businesses:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt the audited Financial Statements containing the Balance Sheet as at March 31, 2016, the Statement of Profit & Loss and Cash Flow for the year ended March 31, 2016 and the Reports of the Boards' and Auditors thereon.
2. To appoint a director in place of Shri Surendra Singh (DIN: 01260862) who liable to retire by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as **an ordinary resolution** thereof:

**RESOLVED THAT** pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, pursuant to recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the 39<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> day of September, 2014 the appointment of M/s O.T.Gandhi & Co. Chartered Accountants (Firm Registration No. 001120C, M.No. 411107) as the Auditors of the Company to hold office till the conclusion of the 42<sup>nd</sup> Annual General Meeting of the Company to be held in the year 2017 be and is hereby ratified for the year 2016-17 and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the Audit Committee in consultation with the Auditors.

**By Orders of the Board**

**SHIVANI KHANDELWAL  
COMPANY SECRETARY  
ACS 34141**

Date: 13<sup>th</sup> August, 2016  
Place: Indore

**Registered Office:**  
CIN: L34300MP1974PLC001598  
3-7, Industrial Area A.B. Road,  
Dewas (M.P.) 455001

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ATTACHED HEREWITH AND, IF INTENDED TO BE USED. IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY IN NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 41<sup>ST</sup> ANNUAL GENERAL MEETING.
2. In pursuance to Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members or number of members, not exceeding 50 [Fifty] and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any such other person or shareholder. Proxy form submitted on



- behalf of the Companies, Societies, etc. must be supported by an appropriate resolution/authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 26<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 [both days inclusive] for the purpose of 41<sup>st</sup> Annual General Meeting.
  4. The report on the Corporate Governance and Management Discussion and Analysis also forms the part to the report of the Directors.
  5. Members seeking any information are requested to write to the Company by email at [secretary@gajrabevel.com](mailto:secretary@gajrabevel.com) atleast 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
  6. Corporate members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Act are requested to send the Company a certified copy of Board Resolution / Authorization together with specimen signatures authorizing their representative to attend and vote on their behalf at the meeting.
  7. Members holding shares in Demat form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service [NECS], Electronic Clearing Services [ECS] mandates, nominations, power of attorneys, change in address, change of name, email address, contact numbers, etc. to their Depository Participant [DP]. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Ankit Consultancy Private Limited, Registrar and Transfer Agents of the Company.
  8. Notice of the Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members, whose email ids are registered with the Company and Depository Participant(s) for communication purposes 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 Notice of the Meeting is being sent through permitted mode.
  9. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all the communications including Annual Report, Circulars, etc. from the Company electronically. Members may also note that the Notice of the Meeting and the Annual Report will also be available on the Company's website [www.gajrabevel.com](http://www.gajrabevel.com) for downloading purpose. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection at any time between 10:00 a.m. to 1:00 p.m. on any working day up to the date of Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id [secretary@gajrabevel.com](mailto:secretary@gajrabevel.com)
  10. Voting through electronic means: In compliance with provisions of Section 108 of the Act read with Rule 20 of The Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with **Central Depository Services Limited [CDSL]** to facilitate e-voting. The detailed process, instructions and manner for availing e-Voting facility is annexed to the Notice.
  11. **Mr. Rakesh Shrivastava** has been appointed as the Scrutinizer to scrutinize the voting by Poll and remote e-voting process in a fair and transparent manner.
  12. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
  13. Members can opt for only one mode of voting i.e. either by e-voting or poll paper. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid.
  14. **The e-voting period commences on Tuesday, 27<sup>th</sup> September, 2016 at 09:00 a.m. (IST) and ends on Thursday, 29<sup>th</sup> September, 2016 at 05:00 p.m. (IST) During this period, the Members holding shares either in physical form or Demat form, as on Friday, 23<sup>rd</sup> September, 2016 i.e. cut-off date, may cast their vote electronically.** The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.
  15. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.



16. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting, then you can use your existing User ID and password for casting your vote.
17. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.
18. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gajrabevel.com](http://www.gajrabevel.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited [BSE] where the equity shares of the Company are listed.

**REQUEST TO THE MEMBERS:**

- a) Intimate changes, if any, in their registered addresses immediately.
- b) Quote their ledger folio number in all their correspondence.
- c) Handover 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 the Share Transfer Agent for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company.

**Shareholder Instructions for e-Voting**

The instructions for members for voting electronically are as under:

- (i) The voting period begins on Tuesday 27<sup>th</sup> September, 2016 at 09:00 a.m. (IST) and ends on Thursday 29<sup>th</sup> September, 2016 at 05:00 p.m. (IST) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 23<sup>rd</sup> September, 2016, being the Cut-Off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on Shareholders.
- (v) Now Enter your User ID-
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:  
For Members holding shares in Demat and Physical Form: Enter your 10-digit alpha-numeric PAN issued by Income Tax Department. (Applicable for shareholders holding shares in Demat as well as physical form). 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. Example: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. Dividend Bank Details OR Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) Date of Birth (DOB) as recorded in your Demat account or in the company records in order to login.  
• If both 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 (v).  
*NOTE: Please keep the sequence number in safe custody for future e-voting.*
- (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.



- (x) However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the **EVSN of GAJRA BEVEL GEARS LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "GBGL.PDF" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non-Individual Shareholders and Custodians:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Contact Details: Deputy Manager, CDSL 17th Floor, PJ Towers, Dalal Street, Fort, Mumbai-400 001. Email: [wenceslausf@cdslindia.com](mailto:wenceslausf@cdslindia.com), Tel: 022-22723333/858





**Brief profile of the director seeking re-appointment as per Item No. 2 of the notice at the ensuing Annual General Meeting as SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 are as under:**

<b>Name of Directors</b>	<b>Mr. Surendra Singh</b>
<b>Designation</b>	<b>Director (Promoter)</b>
<b>DIN</b>	<b>01260862</b>
<b>Date of Birth</b>	16/06/1956
<b>Date of Appointment</b>	17/11/1986
<b>Expertise / Experience in specific functional areas</b>	General Administration and colonizing, etc
<b>Qualification</b>	B.A. (HONS.)
<b>No. &amp; % of Equity Shares Held</b>	1926980(20.50%)
<b>List of outside Company's directorship held</b>	NIL
<b>Chairman/Member of the Committees of the Board of Directors of the Company</b>	NIL
<b>Chairman/Member of the Committees of the Board Directors of other Companies in which she is director</b>	NIL
<b>Relation of the director with other directors</b>	Husband of Mrs. Rani Singh

## ROADMAP



<https://www.google.com/maps/dir/Dewas+Bus+Stand,+Old+Town,+Gombi+Nagar,+Dewas,+Madhya+Pradesh+465001,+India/Gajra+Bevel+Gears+Ltd.,...> 1/1



## **Board's Report & Management Discussion and Analysis**

To  
The members of  
**Gajra Bevel Gears Limited**

Your Directors take pleasure in presenting the 41<sup>st</sup> Annual Report together with the audited financial statements for the year ended March, 31 2016. The Management Discussion and Analysis has also been incorporated into this report.

### **1. HIGHLIGHTS OF PERFORMANCE:**

- Total revenue for the year was Rs.0.50 Lakhs as compared to Rs. 529.26 Lakhs, in the previous year hence, declined by 98.94%;
- Net sales for the year were Nil as compared to Nil in the previous year, no change;
- Profit / (Loss) before tax for the year was Rs.(29.16) as compared to Rs. 374.06 Lakhs in the previous year;
- Profit / (Loss) after tax for the year was Rs.(29.16) Lakhs as compared to Rs.374.06 Lakhs in the previous year.

### **2. FINANCIAL RESULTS:**

**The Summarized financial results are as under:**

**(Rs. In Lakhs)**

<b>Particulars</b>	<b>Year ended 31.03.2016</b>	<b>Year ended 31.03.2015</b>
Revenue from operation	0.00	0.00
Other Income	0.50	529.26
<b>Total Income</b>	<b>0.50</b>	<b>529.26</b>
Total Expenses	22.93	148.44
<b>Profit/Loss before Interest, Depreciation &amp; Tax (EBIDTA)</b>	<b>(22.43)</b>	<b>380.81</b>
Less: Interest	0.00	0.00
Less: Depreciation and amortization expenses	6.73	6.78
<b>Profit /Loss before Tax</b>	<b>(29.16)</b>	<b>374.06</b>
Less: (a) Current Tax	0.00	0.00
(b) Deferred Tax	0.00	0.00
(c) Earlier year (Income Tax and Commercial Tax)	0.00	-
<b>Net Profit/Loss for the year</b>	<b>(29.16)</b>	<b>374.06</b>
Interest relating to previous years	(134.24)	-
Add: Loss brought forward from previous year	(4562.78)	(4936.81)
<b>Accumulated Losses Carried to Balance Sheet</b>	<b>(4726.18)</b>	<b>(4562.78)</b>
Paid up Equity Share Capital	940.08	940.08
Earnings per share (Rs.10/- each) Basic & Diluted (in Rs.)	(1.74)	3.98



### **3.DIVIDEND:**

Due to heavy losses suffered in the year and huge accumulated losses of the previous financial years your directors are not able to recommend any dividend for the year 2015-16. (previous year 2014-15 -Rs. Nil)

### **4. SHARE CAPITAL & LISTING:**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2016 was Rs. 940.07 Lakhs divided into 94,00,750 equity shares of Rs. 10/- each. During the year under review, it has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31<sup>st</sup> March, 2016, none of the Directors of the Company hold convertible instruments of the Company. The Company's some of the shares issued on preferential basis are not listed by the stock exchanges and the Company is making efforts to regularize the same by way of listing at the BSE.

SEBI has passed an order on June 9<sup>th</sup>, 2015 providing the exit to Madhya Pradesh Stock Exchanges Limited (MPSE). For derecognition, therefore, now the Company's shares are listed with the BSE only.

#### **4.1 Transfer to Reserve:**

During the year your company has not transferred any amount to the General Reserves. (Previous year Rs. 50.00 lakhs.)

### **5. FINANCE:**

Cash and cash equivalent as at 31<sup>st</sup> March, 2016 was Rs. 1.31 Lakhs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

#### **5.1 Deposits:**

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unclaimed deposits as on 31<sup>st</sup> March, 2016. The Company has also not accepted any deposit in violation of the Companies Deposit Rules, 2014.

#### **5.2 Particulars of loans, guarantees or investments:**

The Company has not provided any loans and guarantees and not made any investments pursuant to Section 186 of the Companies Act, 2013 during the year under review. The particulars of the investments have been provided in the financial statements attached with the Board Report.

### **6. OVERALL REVIEW AND FUTURE PROSPECTS:**

The Company had no manufacturing/business activity during the year ended on 31<sup>st</sup> March, 2016. The management of the Company continued in making efforts for rehabilitation of the Company and in course of that, so far, succeeded in the settlement of dues of SBI, IFCI, IDBI and MPSIDC with the financial support of Abhimanyu Agro Pvt. Ltd. and Rani Agro Pvt. Ltd. The settlement of the dues of M.P. Financial Corporation is still pending for which suitable efforts are being made.



The management of the Company is making best of their efforts to restore the manufacturing activity of the Company as early as possible.

#### **7. FINANCIAL REVIEW AND STATUS OF SICKNESS:**

To reconcile the dues of M.P. Financial Corporation, a sum of Rs.1,34,22,609/- levied by the corporation, towards earlier years, on account of interest, penal interest and legal charges on the loan account has also been accounted for. Considering the Income and Expenditure of the year, the Company had suffered with a net loss of Rs.1,63,39,364/- which further increased the accumulated losses and made to Rs.4726.17 Lakhs as against the previous year's accumulated losses of Rs.4562.78 Lakhs.

The members are well aware of the facts that the Company's entire net worth had already been eroded long back and based on Audited Balance Sheet asat 30 Sept.'2008, the Hon'ble BIFR had declared the Company as a SICK INDUSTRIAL COMPANY in terms of section 3 (1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985 and appointed the IDBI as the Operation Agency. The DRS for rehabilitation of Company is pending in want of settlement of the dues of M.P. Financial Corporation.

#### **8. HUMAN RESOURCES:**

Since the Company is not having manufacturing activities and it is a sick company, the Company has appointed minimum staff and officers as required to comply with the provisions of the Companies Act, 2013 like Company Secretary, and Chief Financial Officer etc.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received during the year under review.

#### **9. RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board. The Board of Directors of the Company has constituted Risk Management Committee to identify area of risk and remedy for the same.

#### **9.1 Internal Control System**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.



Presently the Company is facing risk for revival of the manufacturing facilities due to its financial sickness further that once it started manufacturing activities, the Company shall have great challenges of the up gradation of the plant and machineries make new contracts with the buyers, competition with the existing players in the market etc.

**10. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named vigil mechanism/whistle blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company(Link-[http://www.gajrabevel.com/public\\_html/Investors.html/](http://www.gajrabevel.com/public_html/Investors.html/)) and annexed as “Annexure 5”.

**11. SUBSIDIARY COMPANIES, PROVIDE LINK CONSOLIDATION OF FINANCIAL STATEMENTS:**

The Company does not have any subsidiary, associate or joint venture company at the beginning or any time during the year 2015-16, therefore it has provided standalone financial statements for the year 2015-16 and consolidation of the financial statements are not required by the Company.

**12. BOARD OF DIRECTORS, KMPs & BOARD MEETINGS:**

**12.1 Directors liable to retire by rotation:**

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

**12.2 Composition of the Board of directors**

The Company is having total 4 (Four) directors which includes one Women director and (Two) Independent Directors and the Composition of the Board is in accordance with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There is no change in the Board of directors during the year under review.

**12.3 Independent Directors:**

Definition of ‘Independence’ of Directors is derived from the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013:-

- (a) Shri Parmal Singh Raghuwanshi; and
- (b) Shri Dwarika Prasad Soni

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Board of directors confirm that these independent directors meet out the criteria laid for the independencies under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Independent directors were appointed for a term of 5 years w.e.f. 1<sup>st</sup> April, 2014 and are not liable to retire by rotation.



#### **12.4 Key Managerial Persons:**

The Company is having appointed Mr. Atul Rangenkar as a CFO; CS Shivani Khandelwal (ACS 34141) as a Company Secretary and Compliance Officer and Mr. Ranveer Singh as a CEO as required under section 203 of the Companies Act, 2013 and there is no change in the Key Managerial Personnel's during the year under review.

#### **12.5 Meetings of the Board:**

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. All the meetings of the Board are held at the Corporate Office of the Company at Indore, (M.P.). The Agenda of the Board meetings is circulated at least seven days prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met **4 (Four)** times in financial year 2015-16 viz., on **30<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 14<sup>th</sup> Nov., 2015 and 12<sup>th</sup> Feb., 2016**. The maximum interval between any two meetings did not exceed 120 days.

### **13. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is annexed herewith as "**Annexure 3**" and also uploaded on Company's website. (Link: [-http://www.gajrabevel.com/](http://www.gajrabevel.com/))

#### **13.1 Annual evaluation by the Board:**

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings.
- ii. Quality of contribution to Board deliberations.
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance.
- iv. Providing perspectives and feedback going beyond information provided by the management.
- v. Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. Member of the Board not participated in the discussion of his/her evaluation.

### **14. DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:



- (a) that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that such accounting policies as mentioned in annexed to financial statements as annexure-I of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March, 31<sup>st</sup> 2016 and of the loss of the Company for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- (f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **15. COMMITTEES OF THE BOARD:**

During the year, in accordance with the Companies Act, 2013, the Board has the following 4 **(Four)** Committees as follows:

- (1) Audit Committee
- (2) Nomination and Remuneration Committee
- (3) Stakeholders' Relationship Committee
- (4) Risk management Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

#### **16. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. The transactions entered into are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval. The statement is supported by a Certificate from the Director and the CFO. The Company has developed a Related Party Transactions Operating Procedures for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website (Link: [http://www.gajrabavel.com/public\\_html/Docs/Policy%20for%20Related%20Party%20transactions.pdf/](http://www.gajrabavel.com/public_html/Docs/Policy%20for%20Related%20Party%20transactions.pdf/)). However, the disclosure as required under section 134(3)(h) of the Companies Act, 2013 and the Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable hence the particulars in the Form AOC-2 may be considered as **Nil**.



## **17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## **18. AUDITORS, THEIR COMMENTS AND MANAGEMENT REPRESENTATION:**

### **18.1 Statutory Auditors Appointment:**

The Company's Auditors, M/s O.T. Gandhi & Company, Chartered Accountants, who were appointed for a term of three years at the 39<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> Sept, 2014 for a term of three years upto conclusion of the 42<sup>nd</sup> Annual General Meeting to be held in the year 2017 and are eligible for ratification of their appointment in the forthcoming annual general meeting. They have confirmed their eligibility under Section 141(3)(g) of the Companies Act, 2013 and the Rules framed there under for ratification for appointment as Auditors of the Company. Further, the report of the Statutory Auditors along with notes to the Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

The Auditors are having peer reviewed by the Institute of Chartered Accounts and the Board has ensured that they are having valid peer review certificate.

### **18.2 Cost Auditors:**

Pursuant to the Orders 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 2015-16. 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.

### **18.3 Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Naveen Kumar Jain, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report in **Form MR-3** is annexed herewith as "**Annexure I**".

The observations made by the Secretarial Auditors and the management representation thereon are as under:

1. *For 17,81,200 shares and 2,53,000 shares allotted previously under the preferential issue on restructuring of debts liabilities and to the promoters for which listing application is being made. \*As per BSE Records the Number of Listed shares are 79,95,400.*

**Management Comment/Explanations:** The Company is regularly making efforts with the BSE authorities and application to BSE for listing of the aforesaid securities allotted by way of preferential issue and reconciliation of the issued, subscribed and paid up capital and listed capital is in process.

2. *Secured loans from Life Insurance Corporation of India (charge-id 90202147) which were repaid/set off by modification, etc. long back, but still appearing on the portal of the*





*MCA under the Index of Charges for which corrective measures needs to taken for deletion of such charges*

**Management Comment/Explanations:** The Company is making efforts to search the Form 17 filed by the Company and removal of the Charge ID from the MCA.

**18.4. Disclosure for frauds against the Company:**

In terms of the provisions of section 134(3)(ca) of the Companies Act, 2013, there were no fraud committed against the Company and any person which are reportable under section 141(12) by the Auditors to the Central Government as well as non reportable frauds during the year 2015-16.

**19. ENHANCING SHAREHOLDERS VALUE:**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

**20. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "**Annexure 4**".

**21. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

**A. Financial Arrangement:**

The company is facing severe financial crunch, in view of the heavy financial losses suffered by the Company in previous years, it is facing liquidity crunch and the working of the company has been badly affected and the manufacturing operations were closed down due to non availability of the adequate working capital, moreover, seizure of the plant by the PF and other authorities is continuing. The Company is a sick industrial company under the provisions of SICA. The BIFR vide hearing held on 6<sup>th</sup> Jan., 2010 has appointed IDBI as the Operating Agency to work out a rehabilitation scheme for the Company for its revival.

Your Company has obtained unsecured loans of Rs. 2813.90 Lakhs from the associate companies of the promoters and from these funds it has settled the secured loan liabilities of the State Bank of India, IDBI, etc. 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 when it would be able to resume the production activities.

**C. Risk and Concerns:**

Your company was catering the needs of almost all sector of industry. As the Company’s plants is closed down due to non availability of working capital, seizure of the same by the various authorities and presently the Company is having target to come out with the situation with the help of the BIFR and operating agency IDBI. In the present scenario it is very difficult as well as risky for the management of the company to re-establish and compete with the existing players in the market. Moreover, in the changing design and technology in the automobile sectors, the company may needs to modernize its plant with the huge investment. Further that apart from the normal risk, demand-supply conditions, raw material prices, changes in government regulations, tax regimes, and economic developments within the country and globally may have direct or indirect impact on the operations of the Company.

**22. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form **MGT-9** for the year ended 31<sup>st</sup> March, 2016 is annexed herewith as “*Annexure 2*”.

**23. CORPORATE GOVERNANCE:**

In terms of the Regulation 15 of the SEBI (LODR) Regulations, 2015 the compliance of the Regulation, 17 to 27 and 46(2)(b) to (i) and Para C, D, and E of Schedule V are not applicable to the Company. However, your Company firmly believes and adopts the highest standard of practice under Corporate Governance. However, the Company, follows some of the requirement due to applicability under the Companies Act, 2013.

**24. PARTICULARS OF REMUNERATION OF EMPLOYEES:**

During the year, none of the employees received remuneration in excess of Rs. 102.00 Lakhs or more per annum or Rs. 8.50 Lakhs p.m. for part of the year. Therefore there is no information to disclose in terms of the provisions of the Companies Act, 2013.

During the year under review, the Company is having only 2 employees on the Roll and the Particulars of such employee in respect of the remuneration drawn during the year 2015-16 are as under:

S . N O	Name of Employee	designati on of the employee	Remune ration received	nature of employ yment, whether contractual or otherwise	Qualif y cations and experie nce of the employ ee	date of commen cement of employ yment	the age of such employ yee	the last employe ment held by such employee before joining the company	wheth er any such employ ee is a relativ e of any direct or or manag er of the compa ny and if so, name of	Remarks



									such direct or or manag er	
1	CS Shivani Khandelwal	Company Secretary (CS)	3,00,000/-	Employment	B.Com ,CS	01.03.2014	24	-	No	NA
2	Mr. Atul Rangnekar	Chief Financial Officer (CFO)	2,40,000/-	Employment	B.com	01.04.2014	45	-	No	Previously working as account officer

## **25. CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings/behaviors of any form and the Board has laid down the directives to counter such acts.

The code laid down by the Board is known as “code of business conduct” which forms an Appendix to the Code. The Code has been posted on the Company’s website (Link:-<http://www.gajrabevel.com>) The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

## **26. CSR ACTIVITIES:**

The Company do not fall under any of the criteria prescribed under section 135 of the Companies Act, 2013, therefore the requirements relating to the Corporate Social Responsibility are not applicable during the year 2015-16.

## **27. PREVENTION OF INSIDER TRADING:**

In view of the SEBI (Prohibition of Insider Trading) Regulation, 1992/2015 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

The Code requires Trading Plan, pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

## **28. 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 well in coming years.

**For and on behalf of the Board**

**Place: Indore  
Date :13.08.2016**

**SURENDRA SINGH  
Chairman  
DIN:01260862**



*Annexure '1'*

**Form MR-3  
SECRETARIAL AUDIT REPORT**

**For the financial year ended 31 March, 2016**

*[ Pursuant to Section 204(1) of Companies Act 2013 and rule 9 of the companies  
(Appointment and Remuneration of Managerial personnel) Rules, 2014)*

**To,**

The Members,

**GAJRA BEVEL GEARS LTD**  
INDUSTRIAL AREA A.B.ROAD  
DEWAS MP 455001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GAJRA BEVEL GEARS LTD (CIN:-L34300MP1974PLC001598)** (here in after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year **ended on March 31, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2016** according to the provisions of :

- i.** The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii.** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii.** The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv.** Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. **(Not applicable to the Company during the Audit Period);**
- v. (i) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015 as may be applicable;
  - (c) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

**(ii) Provisions of the following Regulations-and Guidelines prescribed under the securities and Exchange Board of India ('SEBI Act') were not applicable to the Company under the financial year under report:-**



- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

We have relied on the representation made by the company and its officers for systems and mechanism formed by the Company for compliances under other applicable Act Laws and Regulations to the Company.

The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure I** Further Company is having business of manufacturing of gears & other Automobile device therefore, as such no specific law is applicable to the Company and its present status is Sick declared by BIFR

**We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provision of Companies Act, 2013 (w.e.f 1<sup>st</sup> July 2015)
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Ltd.

During the **period under review** the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the **following observations:**

1. *For 17,81,200 shares and 2,53,000 shares allotted previously under the preferential issue on restructuring of debts liabilities and to the promoters for which listing application is being made. \*As per BSE Records the Number of Listed shares are 79, 95,400.*
2. *Secured loans from Life Insurance Corporation of India (charge-id 90202147) which were repaid/set off by modification, etc. long back, but still appearing on the portal of the MCA under the Index of Charges for which corrective measures has not been taken for deletion of such charges*

**We further Report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings and agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**We further report that** the compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, quarterly financial results under Clause 41 of the Listing Agreement, and Regulation 53 of the SEBI (LODR) Regulations 2015 the annual financial statements, Cost Records has not been reviewed in this audit report, since the same have been subject to the statutory financial audit/cost audit by other designated professionals. This report is to be read with our letter of even date which is annexed as **Annexure II** and forms an integral part of this report.

We Further Report that during the Audit period of the company there was no specific Event/active having a major bearing on the company affairs in pursuant of the above refereed law rules, regulations ,guidelines, standard etc referred to above

**For NAVEEN JAIN & COMPANY  
COMPANY SECRETARIES**

**NAVEEN KUMAR JAIN  
PROPRIETOR**  
ACS 33251 CP 12350  
Place: Indore  
Date: 30.05.2016



**Annexure-I to the Secretarial Audit Report**

**List of other applicable law to the company under the major group and head :**

1. Factories Act, 1960;
2. Industries (Development & Regulation) Act, 1951
3. Labour law and other incidental law related to labour and employee Appointed by the company either on its payroll or on contractual basic as related to the wages gratuity provident fund ESCI compensation etc
4. Act prescribed under the prevention and control under the pollution
5. Act prescribed under environment protection:
6. Act prescribed under Environment Protection
7. Act prescribed under Direct & indirect Tax
8. Labour Welfare Act of the Respective states
9. Local act as applicable to the Registered office and plant

**Annexure-II to the Secretarial Audit Report**

To,

The Members,

**GAJRA BEVEL GEARS LTD**

INDUSTRIAL AREA A.B.ROAD

DEWAS MP 455001 IN

Our report of even date is to be read along with the letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility to express an opinion on these secretarial records based on the Audit
2. We have followed the Audit practices and process as where appropriate to obtain reasonable assurance about the correctness of the contents of secretarial record. We believe that the process and Practice we followed provide a reasonable basic for our opinion
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where required we have obtained the management representation about the compliance of law rules and regulation and happening of event etc
5. The compliance of the provision of the corporate and other applicable provision law rules and regulation, standard is the responsibility of the Management. Our verification is limited to the verification on test basic
6. The Secretarial Audit report is neither an assurance as to the future viability of the company or not of the efficiency or effectiveness with which the management have conducted the affairs of the company

**For NAVEEN JAIN & COMPANY  
COMPANY SECRETARIES**

**NAVEEN KUMAR JAIN  
PROPRIETOR  
ACS 33251 CP 12350**



Place: Indore  
Date: 30.05.2016

*Annexure '2'*

**FORM MGT-9  
Extract of Annual Return**

**As on the Financial Year Ended on 31st March, 2016**

{Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014}

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L34300MP1974PLC001598
ii)	Registration Date	09/09/1974
iii)	Name of the Company	GAJRA BEVEL GEARS LIMITED
iv)	Category/ Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company
v)	Address of the Registered office and contact details	Industrial Area, A.B. Road, Dewas (M.P.) 455001 Contact No. 0731-2434327 Email : <a href="mailto:secretary@gajrabevel.com">secretary@gajrabevel.com</a> Website : <a href="http://www.gajrabevel.com">www.gajrabevel.com</a>
vi)	Whether Listed Company Yes/No	YES (BSE LIMITED)
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, If any	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: <a href="mailto:anuradha.bekal@linkintime.co.in">anuradha.bekal@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sl. No.	Name and Description of main products/Services	NIC code of the product/ Service	% of total turnover of the Company
1	Automotive differential gears i.e. crown wheel and pinions spider kit assembly used in various types of automobile.	34300	0.00%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:** The Company does not holding any subsidiary, associate or joint ventures during the year under review.

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

**i) Category –wise Share Holding:**

Category of Shareholders	No of Shares held at the beginning of the year (01.04.2015)	No of Shares held at the end of the year (31.03.2016)	% Change during the year



	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian: (g) Individual /HUF	2262310	423305	2685615	28.56	2262310	423305	2685615	28.56	0.00
(h) Central Govt	0	0	0	0	0	0	0	0	0
(i) State Govt	0	0	0	0	0	0	0	0	0
(j) Bodies Corp.	219656	0	219656	2.33	219656	0	219656	2.33	0
(k) Banks/FI	0	0	0	0	0	0	0	0	0
(l) any other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (1)</b>	<b>2481966</b>	<b>423305</b>	<b>2905271</b>	<b>30.90</b>	<b>2481966</b>	<b>423305</b>	<b>2905271</b>	<b>30.90</b>	<b>0.00</b>
(2) Foreign	0	0	0	0	0	0	0	0	0
(a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
(b) Others- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks/FI	0	0	0	0	0	0	0	0	0
(e) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)(1) + (A) (2)</b>	<b>2481966</b>	<b>423305</b>	<b>2905271</b>	<b>30.90</b>	<b>2481966</b>	<b>423305</b>	<b>2905271</b>	<b>30.90</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	550	550	0.005	0	550	550	0.005	0
a) Mutual Funds (Financial)									
b) Banks/FI	285259	250	285509	3.037	285259	250	285509	3.037	0
c) Central Govt	2200	0	2200	0.0234	2200	0	2200	0.0234	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs									
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Other (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B) (1)</b>	<b>287459</b>	<b>800</b>	<b>288259</b>	<b>3.066</b>	<b>287459</b>	<b>800</b>	<b>288259</b>	<b>3.066</b>	<b>(0.00)</b>
2. Non-Institution									
a) Bodies Corp.									
i) Indians	515973	11875	527848	5.61	454081	11875	465956	4.95	0.61
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	2787534	567837	3355371	35.69	3339578	577762	3917340	41.67	6.62
i) Individual Shareholders holding nominal share capital upto Rs. 1/2 lakh									
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1/2 lakh	2014266	33300	2047566	21.78	1337756	20925	1358681	14.45	(8.06)
<b>c) Other (specify)</b>									
(NRI & OCB)	218952	200	219152	2.33	430882	0	430882	4.58	2.25
(Clearing Member)	57283	0	57283	0.60	34361	0	34361	0.36	0.3
<b>Sub-Total (B) (2)</b>	<b>5594008</b>	<b>613212</b>	<b>6207220</b>	<b>66.02</b>	<b>5596658</b>	<b>610562</b>	<b>6207220</b>	<b>66.02</b>	<b>00</b>
<b>Total Public Shareholding (B) = (B) (1)+ (B) (2)</b>	<b>5882367</b>	<b>613112</b>	<b>6495479</b>	<b>69.09</b>	<b>5884117</b>	<b>611362</b>	<b>6495479</b>	<b>69.09</b>	<b>00</b>
C. Shares held by Custodian for GDRs	0	0	0	0	0	0	0	0	0





& ADRs									
<b>Grand Total (A+B+C)</b>	<b>8364333</b>	<b>1036417</b>	<b>9400750</b>	<b>100</b>	<b>8366083</b>	<b>1034667</b>	<b>9400750</b>	<b>100</b>	<b>0</b>

**ii) Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% Change in share during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Mr. Abhimanyu Singh	31500	0.3351	0	31500	0.3351	0	0
2	IndurShantiswroopGajra	278380	2.961	2.96	278380	2.961	2.96	0
3	Mrs. Rani Singh	301630	3.20	0	301630	3.20	0	0
4	Mr. Surendra Singh	1926980	20.49	0.29	1926980	20.49	0.29	0
5	Mrs. Kiran Kumari	2000	0.0123	0	2000	0.0123	0	0
6	Mr. Sumer Singh Garha	8000	0.0851	0	8000	0.0851	0	0
7	Mr. Siddharth Singh	131125	1.39	0	131125	1.39	0	0
8	Mrs. Kumud Singh	6000	0.0638		6000	0.0638		0
9	Gajra Investment Pvt. Ltd.	39775	0.4231	0	39775	0.4231	0	0
10	Garha Finance P.Ltd.	179881	1.91	0	179881	1.91	0	0
	<b>Total</b>	<b>2905271</b>	<b>30.90</b>	<b>3.25</b>	<b>2905271</b>	<b>30.90</b>	<b>3.25</b>	<b>0</b>

**(iii) Change in Promoter Share holding**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Nil	Nil	Nil	Nil	Nil

**(iv) Shareholding pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Changes during the year					Reason
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	Date	No. shares before Change	No. shares After Change	Increase	Decrease	
VAIBHAV KUMAR DOSI	102390	1.08	0.00	0.00	19.06.2015	102390	0.00	0.00	102390	Sale
DIPAK KANAYALA L SHAH	158000	1.68	200000	2.12	08.05.2015	158000	200000	42000	0.00	Acquired
	200000	2.12	250000	2.65	29.05.2016	200000	250000	50000	0.00	Acquired
	250000	2.65	245000	2.60	14.08.2015	250000	245000	0.00	5000	Sale
	245000	2.60	239600	2.54	04.03.2016	245000	239600	0.00	5400	Sale
	239600	2.54	200000	2.12	18.03.2016	239600	200000	0.00	39600	Sale
HARSHA HITESH JAVERI	70000	0.74	0.00	0.00	19.06.2015	70000	0.00	0.00	70000	Sale
NINJA SECURITIES PVT LTD.	121714	1.29	46714	0.49	08.05.2015	121714	46714	0.00	75000	Sale
DIPTI SOMAIYA K	156747	1.66	111501	1.18	07.08.2015	156747	111501	0.00	45246	Sale
	111501	1.18	119642	1.27	28.08.2015	111501	119642	8141	0.00	Acquired
	119642	1.27	124642	1.32	18.12.2015	119642	124642	5000	0.00	Acquired
	124642	1.32	170794	1.81	31.12.2015	124642	170794	46152	0.00	Acquired
	170794	1.81	178743	1.89	15.01.2016	170794	178743	7949	0.00	Acquired
	178743	1.89	183098	1.94	29.01.2016	178743	183098	4355	0.00	Acquired



	183098	1.94	196580	2.09	04.03.2016	183098	196580	13482	0.00	Acquired
	196580	2.09	210101	2.23	11.03.2016	196580	210101	13521	0.00	Acquired
ManojDua	230000	2.44	155000	1.64	08.05.2015	230000	155000	0.00	75000	Sale
	155000	1.64	100000	1.06	22.05.2015	155000	100000	0.00	55000	Sale
	100000	1.06	87116	0.92	15.01.2016	100000	87116	0.00	12884	Sale
	87116	0.92	71111	0.75	19.02.2016	87116	71111	16005	0.00	Sale
Ashish Chugh	120000	1.27	100000	1.06	23.10.2015	120000	100000	0.00	20000	Sale
	100000	1.06	80000	0.85	08.01.2016	100000	80000	0.00	20000	Sale
	80000	0.85	50000	0.53	19.02.2016	80000	50000	0.00	30000	Sale
Anil Kumar	80455	0.85	42923	0.45	19.06.2015	80455	42923	0.00	37532	Sale
Karvy Stock Broking Limited	70383	0.74	75633	0.80	19.06.2015	70383	75633	5250	0.00	Acquired
	75633	0.80	53095	0.56	10.07.2015	75633	53095	0.00	22538	Sale
	53095	0.56	13687	0.14	17.07.2015	53095	13687	0.00	39408	Sale
HEMLATA YADAV	61940	0.65	62015	0.65	08.01.2016	61940	62015	0.00	75	Sale
NIRMAL BANG SECURITIES PVT LTD	22626	0.24	54610	0.58	25.12.2015	22626	54610	31984	0.00	Acquired
ARIHANT CAPITAL SERVICES LIMITED	37835	0.40	71300	0.75	18.03.2016	37835	71300	33465	0.00	Acquired

**(v) Shareholding of Directors and Key Managerial Personal:**

Sl. No.	For each of the Directors & KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Surendara Singh, Chairman & Director	1926980	20.49	1926980	20.49
2	Mrs. Rani Singh, Women Director	301630	3.2085	301630	3.2085
3	Mr. Dwarika Prasad Soni, Independent Director	0	0	0	0
4	Mr. Parmal Singh Raghuvanshi, Independent Director	0	0	0	0
5	Mr. Ranveer Singh ,CEO	0	0	0	0
6	CS ShivaniKhandelwal, Company Secretary	0	0	0	0
7	Shri AtulRangnekar, CFO	0	0	0	0

**V. INDEBTEDNESS**

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

	Secured Loan excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	77,455,225.00	274,659,602.65	0	352,114,827.65
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>77,455,225.00</b>	<b>274,659,602.65</b>	<b>0</b>	<b>352,114,827.65</b>
Change in Indebtedness during the financial year				
*Addition	13,422,609.00	6,731,000.00	0	20,153,609.00
* Reduction	0.00	0.00	0.00	0.00
<b>Net Change</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Indebtedness at the end of the financial year				



i) Principal Amount	77,455,225.00	281,390,602.65	0.00	36,8845,857.65
ii) Interest due but not paid	13,422,609.00	0.00	0.00	13,422,609.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>90,877,834.00</b>	<b>281,390,602.65</b>	<b>0</b>	<b>372,268,436.65</b>

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

**A. Remuneration to Director, Whole-time Directors and/or Manger,CEO:**

S. No	Particulars of Remuneration	Total
<b>1.</b>	Gross Salary	0
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 196	0
	(b) Value of Perquisites u/s 17(2) Income-Tax Act, 1961	0
	C) Profits n lieu of Salary under Section 17 (3) Income-Tax, Act 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission	0
	As % of Profit	0
	Other, Specify	0
5	Other, Specify	0
	<b>Total (A)</b>	<b>0</b>
	Ceiling as per the Act.	0

**B. Remuneration to Independent and other Directors:**

Sl. No	Particulars of Remuneration	Shri Parmal Singh Raghuwanshi Independent Director	Shri Dwarika Prasad Soni Independent Director	Shri Surendra Singh	Smt. Rani Singh	Total amount
<b>1</b>	<b>Independent Directors</b>					
	Fee for Attending Board Committees Meeting	0	0	0	0	0
	Commission	0	0	0	0	0
	Other, Specify	0	0	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Other Non-executive Directors: There is no other non executive directors in the Company</b>					
	<b>Total (B) (1+2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Total Managerial Remuneration	0	0	0	0	0
	Overall ceiling limit as per the Act	0	0	0	0	0

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**



S. No	Particulars of Remuneration	Mr. Atul Rangnekar CFO	CS Shivani Khandelwal	Mr. Ranveer Singh ,CEO	Total Amount
1	Gross Salary	2,40,000	3,00,000	0	5,40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	0	0	0	0
	(b) Value of Perquisites u/s 17(2) Income-Tax Act, 1961	0	0	0	0
	C) Profits in lieu of Salary under Section 17 (3) Income-Tax, Act 1961	0	0	0	0
	Stock Option	0	0	0	0
2	Sweat Equity	0	0	0	0
3	Commission	0	0	0	0
	As % of Profit	0	0	0	0
4	Other, Specify	0	0	0	0
	<b>Total (A)</b>	<b>2,40,000</b>	<b>3,00,000</b>	<b>0</b>	<b>5,40,000</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFNCES:** No penalty, punishment are compounding orders were issued against the Company, any of its directors and officer of the Company during the reporting period.

However, the Registrar has filed the two cases (1) under section 162(1) and (2) under section 210(5) and 210(10) of the Companies Act, 1956 before the CJM, Gwalior on 12.05.2012 against the company and its directors, which are sub-judice and no penalty or fine imposed against the Company or its directors.

**For and on behalf of the Board**

Place: Indore  
Date: 13<sup>th</sup> August, 2016

**SURENDRA SINGH  
CHAIRMAN  
DIN: 01260862**



*Annexure “3”*

**Company’s policy on Directors’ appointment and remuneration**

The Policy of the Company on Directors’ appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178.

**REMUNERATION CRITERIA FOR NON-EXECUTIVE DIRECTORS:**

1. As per Company’s policy, the Company doesn’t pay any commission or remuneration to its non executive directors & executive directors.
2. The Company do not pay sitting fee for attending each meeting of the Board of directors including committee meetings thereof.
3. The Company reimburses the actual travelling and lodging expenses to the Non Executive Directors for attending the Board, Committee and members meetings from time to time.
4. The Company do not provides any ESOP, etc to its directors.

**REMUNERATION CRITERIA FOR THE EXECUTIVE DIRECTORS AND KMP:**

1. The Remuneration of the executive directors including the Chairman and Managing Director is determined and approved by the Nomination and Remuneration Committee of the Board, consisting of the independent directors.
2. The Executive directors being appointed for a period of 3/5 years at a time.
3. The Company is not paying any sitting fee as well as do not provide any ESOP, etc to its executive directors.
4. The Company is paying remuneration to its CS and CFO as per the terms of the appointment approved by the Remuneration Committee and they are also entitled for the annual increments based on their performance, evaluated by the Remuneration Committee and Board on annual basis.
5. Committee and Board on annual basis.



**Annexure "4"**

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies Accounts) Rules, 2014]

<b>Conservation of energy :</b>			
<b>S.No.</b>	<b>Particulars</b>		
(i)	the steps taken or impact on conservation of energy;	All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.	
(ii)	the steps taken by the company for utilizing alternate sources of energy;	NA	
(iii)	the capital investment on energy conservation equipments	NIL	
<b>Technology absorption:</b>			
(i)	the efforts made towards technology absorption	Nil, because there were no manufacturing activities held during the year in the Company	
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year	NIL	
	(a) the details of technology imported	NA	
	(b) the year of import	NA	
	(c) whether the technology been fully absorbed	NA	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA	
(iv)	the expenditure incurred on Research and Development	NIL	NIL
<b>Foreign exchange earnings and Outgo:</b>			
		<b>2015-16</b>	<b>2014-15</b>
(i)	The Foreign Exchange earned in terms of actual inflows during the year;	NIL	NIL
(ii)	and the Foreign Exchange outgo during the year in terms of actual outflows.	NIL	NIL

**For and on behalf of the Board**



Place: Indore  
Date: 13.08.2016

**Surendra Singh**  
**Chairman**  
**DIN :01260862**

*Annexure 5”*

**VIGIL MECHANISM / WHISTLE BLOWER POLICY  
GAJRA BEVEL GEARS LIMITED**

**1. PREFACE**

- 1.1. Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2. As per Listing Agreement /SEBI(LODR)Regulations 2015, between listed companies and the Stock Exchanges, inter alia, provides for a non-mandatory requirement for all listed companies to establish a mechanism called ‘Whistle Blower Policy’ foremployees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company’s Code of Conduct .
- 1.3. Under these circumstances,Gajra Bevel Gears Limited, being a Listed Company proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

**2. POLICY OBJECTIVES**

- 2.1. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ CEO/ Chairman of the Audit Committee in exceptional cases.
- 2.2. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

**3.SCOPE OF THE POLICY**

- 3.1. This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

**DEFINITIONS**

- 4.1. “**Alleged wrongful conduct**” shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority”.



- 4.2. **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.
- 4.3. **“Board”** means the Board of Directors of the Company.
- 4.4. **“Company”** means the Gajra Bevel Gears Limited and all its offices.
- 4.5. **“Code”** means Code of Conduct for Directors and Senior Management Executives adopted by Gajra Bevel Gears Limited.
- 4.6. **“Employee”** means all the present employees and whole time Directors of the Company.
- 4.7. **“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 4.8. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 4.9. **“Vigilance and Ethics Officer”** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- 4.10. **“Whistle Blower”** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

#### 5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

#### 6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

- 6.1. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English and Hindi.
- 6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected disclosure under the Whistle Blower policy”. Alternatively, the same can also be sent through email with the subject “Protected disclosure under the Whistle Blower policy”. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance Officer shall assure that in case any further clarification is required he will get in touch with the complainant.
- 6.3. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance Officer and ethics / Chairman of the Audit Committee/ MD/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- 6.4. All Protected Disclosures should be addressed to the Vigilance and ethics Officer of the Company or to the Chairman of the Audit Committee/ MD/ Chairman in exceptional cases. The contact details of the Vigilance Officer is as under:-  
Name and Address –CS.Shivani Khandelwal  
Gajra Bevel Gears Limited  
Industrial Area, A.B. Road, Indore  
Email – [ssg@gajrabevel.com](mailto:ssg@gajrabevel.com)
- 6.5. Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman and Managing director of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman & Director and the Chairman of the Audit Committee are as under:  
Name and Address of Chairman and Director - Shri Surendra Singh  
Gajra Bevel Gears Limited.  
Garha House, Kanadiya Road,  
Indore (MP)  
Email : [ssg@gajrabevel.com](mailto:ssg@gajrabevel.com)  
  
Name and Address of the Chairman of the Audit Committee:  
Mr. Parmal Singh Raghuwanshi  
147, Tilak Nagar, Dewas Road, Indore (MP)
- 6.6. On receipt of the protected disclosure the Vigilance and Ethics Officer/Chairman & Managing Director / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected





Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
  - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
  - c) Whether the same Protected Disclosure was raised previously on the same subject;
  - d) Details of actions taken by Vigilance and Ethics Officer / Chairman & Managing Director for processing the complaint
  - e) Findings of the Audit Committee
  - f) The recommendations of the Audit Committee/ other action(s).
- 6.7 The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

## **7. INVESTIGATION**

- 7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- 7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 7.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 7.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- 7.6. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- 7.7. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8. Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- 7.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

## **8. DECISION AND REPORTING**

- 8.1. If an investigation leads the Vigilance and Ethics Officer/Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- 8.2. The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 8.3. In case the Subject is the Chairman & Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 8.4. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 8.5. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## **9. SECRECY / CONFIDENTIALITY**

- 9.1. The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:



- 9.1.1. Maintain confidentiality of all matters under this Policy
- 9.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- 9.1.3. Not keep the papers unattended anywhere at any time
- 9.1.4. Keep the electronic mails / files under password.

#### **10. PROTECTION**

- 10.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/ functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- 10.2. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 10.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 10.5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

#### **11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

- 11.1. The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

#### **12. COMMUNICATION**

- 12.1. A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company

#### **13. RETENTION OF DOCUMENTS**

- 13.1. All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

#### **14. ADMINISTRATION AND REVIEW OF THE POLICY**

- 14.1. The Chairman & Managing Director shall be responsible for the administration, interpretation, application and review of this policy. The Chief Executive Officer also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

#### **15. AMENDMENT**

- 15.1. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.



## **Corporate Governance Report**

(Forming Part of the Board's Report of Gajra Bevel Gears Limited)

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

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 SEBI (LODR) Regulation, 2015 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 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. The Board of Directors, by considering itself as trustee of its shareholders, aims at maximizing shareholders value and protecting the interest of all stakeholders.

SEBI, with a view to improving corporate governance standards in India and to enhance the transparency and integrity of the market, vide its Notification No. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015 has replaced existing Listing Agreement with the newly incorporated Regulation i.e. SEBI (LODR) Regulation, 2015 and the same was made effective from December 01, 2015. During preparing of the report both listing agreement and SEBI (LODR) Regulations, 2015 were considered. Company has fully complied with the conditions of the Listing Agreement and/ or SEBI (LODR) Regulation, 2015..

### **GOVERNANCE STRUCTURE:**

Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

#### **Board of Directors:**

The Company's Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company, ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

#### **Management Structure:**

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. This broadly is as under:



**a. CEO:**

The Chief Executive Office is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of directors and its various committees.

The CEO is looking other functions relating to the day-to-day management including all local issues and compliances as applicable at plant level. They are also looking into the accounts and finance department and reports to the Chairman & Director.

**b. Composition of the Board of Directors:**

Composition of the Board as on March, 31, 2016	
Category	No. of Directors
Independent Directors	2
Other Non Executive Directors	2
Executive Director	0

The Chairman of the Board of Directors is anon Executive director.

**c. Directors' Profile:**

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process. The brief profile of the Company's Board of Directors is as under:

Name of Directors	Mr. Parmal Singh Raghuwanshi	Mr. Surendra Singh	Mr. Dwarika Prasad Soni	Mrs. Rani Singh
Date of Birth	04/07/1949	16/06/1956	12/11/1974	07/02/1956
Date of Appointment	31/10/2007	17/11/1986	01/10/2007	14/08/2014
Expertise/Experience in specific functional areas	Having about 30 years experience in the field of Business and Industry.	Having about 25 years experience in the field of Business and Industry.	Having about 20 years experience in the field of Business and Industry.	General Administration and colonizing, etc
Qualification	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 Directors hip held	1. Garha Gears Ltd. 2. GarhaUtilbrocce Tools Ltd. 3. Gajara Investments Pvt Ltd 4. Garha Holdings Pvt Ltd 5. Garha Resorts And Sports Pvt Ltd 6. Garha Computers Pvt Ltd 7. Gujarat Gajra Pinions Ltd 8. Abhimanyu AgroPvt Ltd 9. Siddharth Horticulture Pvt Ltd 10. Kiran AgroPvt Ltd 11. GarhaAgroPvtLtd 12. Rani AgroPvt Ltd.	-	1. Garha Gears Ltd. 2. GarhaUtilbrocce Tools Ltd. 3. Garha Resorts and Sports Pvt. Ltd. 4. Garha Holding Pvt. Ltd. 5. Gajara Investments Pvt. Ltd. 6. Garha Computers Pvt. Ltd.	-
Chairman / Member of the Committees of the Board of Directors of the	1. Audit Committee 2. Nomination and Remuneration Committee.	1. Audit Committee 2. Nomination and	1. Audit Committee 2. Nomination and Remuneration Committee.	-



Company	3. Stakeholders relationship Committee. 4. Risk Management Committee	Remuneration Committee. 3. Stakeholders relationship Committee 4. Risk Management Committee	3. Stakeholders Relationship Committee. 4. Risk Management Committee	
Chairman/Member of the Committees of the Board Directors of other Companies in which he is director	-	-	-	-
Interse relations with other directors	-	Husband of Mrs. Rani Singh	-	Wife of Shri Surendra Singh

**d. Board Training and Induction:**

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected to him/her as a Director of the Company. The Director is also explained in detail the compliances required from him/her under the Companies Act, 2013 Listing Agreement/SEBI (LODR) Regulations, 2015 and other relevant regulations and his affirmation taken with respect to the same.

By way of an introduction to the Company, the Director is presented with a book on the Company which traces its history over 42 years of its existence, relevant Annual Reports, activities pursued by the Company. Further, with a view to familiarize him with the Company's Operations, the Directors are also invites to visit the plant manufacturing process, detailed presentations giving an over arching perspective of the automotive industry, organizational set up of the Company, governance and internal control processes and other relevant information pertaining to the Company's business. The Chairman & Director also have a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his/her role as a Director of the Company.

**e. Board Meetings and annual general meeting held during the Year:**

During the period under review there was **4 (four)** Board meetings held on **30<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 14<sup>th</sup> Nov., 2015 and 12<sup>th</sup> Feb., 2016** and all the four directors and Key managerial persons had attended all the meetings of the Board.

The Company's 41<sup>st</sup> Annual General Meeting was held on 30<sup>th</sup> Sept., 2016 in which all the directors, Company Secretary, and the Chairman of the Audit and Nomination and Remuneration Committee and the Scrutinizers for the e-voting and Poll was available.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing. However, none of the director has participated through video conference in any meetings of the Board.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in SEB (LODR) Regulations, 2015 to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

**COMMITTEES OF THE BOARD:**

**Committee of Directors:**

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and Internal Complaints Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Each of these Committees has been mandated to operate within a given framework.

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all the members individually and tabled at the Board Meetings.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess knowledge of finance, accounting practices and internal controls.

**(a) Audit Committee - Mandatory Committee:**

The Audit Committee acts as a link between the statutory and internal auditors and the Board of directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements of Section 177 of the Companies Act, 2013 and Listing Regulations.

Some of the important functions performed by the Committee are:

**Financial Reporting and Related Processes:**

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and /or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgment about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

**Internal Controls and Governance Processes:**

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

**Audit:**

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Secretarial Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- To recommend to the Board the remuneration of the Statutory Auditors & Secretarial Auditors.
- To discuss with the Statutory Auditors/Internal Auditors any significant difficulties encountered during the course of the Audit.

**Other Duties:**



- To approve the appointment, removal and terms of remuneration of the Internal Auditor and to approve the appointment of the Chief Financial Officer.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

**Composition of the Audit Committee and its Meetings:**

Independent directors and Non Executive Directors of the Company are members to the Audit Committee viz, Mr.Parmal Singh Raghuwanshi, as the Chairman and Shri Dwarika Prasad Soni, and Shri Surendra Singh as the members. During the period under reporting **4 (Four)** meetings of the Audit Committee were held **on 30<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 14<sup>th</sup> Nov., 2015 and 12<sup>th</sup> Feb., 2016** which were attended by all the committee members and Statutory Auditors.

The Company Secretary functions as the Compliance Officer and the Secretary to the Committee. The Statutory Auditor and Internal Auditors are permanent invitee to the Audit Committee Meetings. The Internal Auditor reports directly to the Audit Committee. During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Internal Auditor to get their inputs on significant matters relating to their areas of audit.

**Self Assessment by the Audit Committee:**

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

**(b) Stakeholders' Relationship Committee -Mandatory Committee:**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

The terms of reference of the Committee are:

- transfer/transmission and issuance of duplicate shares by the Company from time to time;
- issue of duplicate share certificates for shares reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates;
- issue and allot right shares/bonus shares pursuant to a Rights Issue/Bonus Issue if any to be made by the Company, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Compliance/other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors/stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

**Composition of the Stakeholders' Relationship Committee as at 31<sup>st</sup> March, 2016 and details of the Members participation at the Meetings of the Committee:**

All the independent directors of the Company are members to the Committee viz. Mr. Parmal Singh Raghuwanshi, as the Chairman and Shri Dwarika Prasad Soni, and Shri Surendra Singh as the members. During the period under reporting **(one)** meetings of the Stakeholders Relationship Committee was held on 12<sup>th</sup> February, 2016 and which were attended by all the members.

**(c) Nomination and Remuneration Committee -Mandatory Committee:**



In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Compensation Committee" as the "Nomination and Remuneration Committee".

The Committee is governed by a Charter.

- The terms of reference of the Committee inter alia, include the following:
- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors/Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain
- And motivate best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

**Composition of the Nomination and Remuneration Committee as at 31<sup>st</sup> March, 2016 and details of the Members participation at the Meetings of the Committee:**

All the Independent Director of the Company are members to the Committee viz Mr. Parmal Singh Raghuwanshi, as the Chairman and Mr. Dwarika Prasad Soni, and Shri Surendra Singh as the members of the committee. No meeting was held during the year 2015-16.

**(d) Risk Management Committee- Mandatory Committee:**

Business Risk Evaluation and Management is an ongoing process within the Organization.

The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

**Composition of the Risk Management Committee as at 31<sup>st</sup> March, 2016 and details of the Members participation at the Meetings of the Committee:**

All the Independent Directors of the Company are member of the committee viz. Mr. Surendra Singh is the Chairman and Mr. Dwarika Prasad Soni and Mr. P.S. Raghuwanshi are the members of the committee.

**Independent Directors' Meeting:**

During the year under review, the Independent Directors met on 14.11.2015, under the Chairmanship of the Lead Independent Director, Shri Parmal Singh Raghuwanshi, Shri Dwarika Prasad Soni inter alia, to discuss:

- Independent Directors and the Board of Directors as a whole;
- Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Performance of the Mr. Surendra Singh Chairman & Director and Mrs. Rani Singh, Women Director timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**POLICY FOR SELECTION & APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION:**

Please refer the "Annexure 3"

**SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary, associate or joint ventures during the year 2015-16.





**RELATED PARTY TRANSACTIONS:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement SEBI (LODR) Regulation, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements. The Audit Committee and the Board has approved a policy for related party transactions which has been uploaded on the Company's website.

**DISCLOSURES:**

**(a) Strictures and Penalties:**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

**(b) Compliance with Accounting Standards:**

In the preparation of the financial statements, the Company has followed the Accounting Standards as notified. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**(c) Internal Controls:**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business processes have a strong monitoring and reporting process resulting in financial discipline and accountability.

**(d) CEO/CFO Certification:**

The CEO and the CFO have issued certificate pursuant to SEBI (LODR) Regulation, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report and is annexed and forms part of the Annual Report.

**CODE OF CONDUCT:**

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Code has been posted on the Company's website [www.gajrabevel.com](http://www.gajrabevel.com) The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**VIGIL MECHANISM/WHISTLE BLOWER 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. As part of our corporate governance practices, the company has adopted the Whistleblower policy that covers our directors and employees. The policy is provided pursuant to clause 49 of Listing Agreement/ SEBI (LODR) Regulation, 2015 on our website, <http://www.gajrabevel.com> and also annexed with the Board Report.

**PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.



**COMMUNICATION WITH THE MEMBERS/ SHAREHOLDERS:**

- The unaudited quarterly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within 60 days from the close of the financial year as per the requirements of the SEBI (LODR) Regulations, 2015. The aforesaid financial results are sent to BSE Limited (BSE) within 15/30 minutes after closure of the Board Meeting. The results are thereafter given by way of a publication in English and Hindi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
- The Annual Report of the Company, the quarterly and the annual results of the Company are also placed on the Company's website: [www.gajrabevel.com](http://www.gajrabevel.com) and can be downloaded.
- In compliance with the SEBI (LODR) Regulations 2015, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the BSE electronically on BSE's on-line portal at [www.listing.bseindia.com](http://www.listing.bseindia.com).
- A separate dedicated section under 'Corporate Governance' on the Company's website gives information quarterly compliance reports/ communications with the Stock Exchanges, Annual disclosures and other relevant information of interest to the investors /public.

**GENERAL INFORMATION TO SHAREHOLDERS:**

Financial Year Ended

: March 31, 2016

**Investor Services:**

The Company has a Registrar and Share Transfer Agent M/s Link Intime India Private Limited, having their office at C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W) Mumbai, Maharashtra 400078, which offers all share related services to its Members and Investors.

These services include transfer/transmission/dematization of shares, payment of dividends, subdivision/consolidation/renewal of share certificates and investor grievances.

The Share Transfer Agent is registered with SEBI as Registrar to an Issue/Share Transfer Agent.

**Address for Correspondence with the Share Transfer Agent of the Company:**

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: [anuradha.bekal@linkintime.co.in](mailto:anuradha.bekal@linkintime.co.in)

For transfer/transmission/ subdivision/demat/ loss of shares/dividend/general inquiries and investor grievance remaining unattended: [anuradha.bekal@linkintime.co.in](mailto:anuradha.bekal@linkintime.co.in)

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Share Transfer Agent of the Company.

Members who hold shares in physical form should address their queries to the Share Transfer Agent of the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewals/split/consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Share Transfer Agent of the Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Share Transfer Agent of the Company.

**Exclusive E-Mail ID:**

The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The e-mail ID [secretary@gajrabevel.com](mailto:secretary@gajrabevel.com)

**Plant Location:**



The location of the Company's Plants are given on the inside cover page of the Annual Report. The details of the Plants along with their addresses and telephone numbers are also available on the Company's website at [www.gajrabevel.com](http://www.gajrabevel.com).

**Calendar for Financial Year: 2016-17 (from 1<sup>st</sup> April-2016 to 31<sup>st</sup> March, 2017)**

First quarterly results	:	June, 2016 - Before 14 <sup>th</sup> August, 2016
Second quarterly / Half yearly results	:	Sept., 2016 - Before 14 <sup>th</sup> Nov., 2016
Third quarterly results	:	Dec., 2016 - Before 14 <sup>th</sup> Feb., 2017
Annual results for the year ending on	:	31st March, 2017: Before 30 <sup>th</sup> May, 2017
Annual General Meeting for the year ending : on 31st March, 2017	:	Before 30 <sup>th</sup> Sept., 2017

**Book Closure/Record date:**

The Register of Members and the Share Transfer Books of the Company shall remain closed from 26<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive) for the Annual General Meeting.

**Interim Dividend and Record Date:**

The Board of directors of the Company has not declared any dividend last more than 10 years.

**Dividend History:**

The Company has not declared any dividend during the previous 10 years.

**Listing on Stock Exchange:**

The Company's shares are traded on BSE.

The Company's shares are presently listed on the BSE Limited. The Company has paid annual listing fee for the year 2016-17.

**Stock Code/ Details of Scrip:**

BSE	:	505711
CDSL-ISIN	:	INE282D01010
ISIN NO	:	INE282D01010

**Market Information:**

**Listing on Stock Exchanges**

The Company's shares are listed on BSE Limited, Mumbai (Scrip Code 505711) and the Listing Fees have been paid to the Exchange. **\*Equity Share Price on BSE April, 2015 – March, 2016**

Month	Equity Share Price			No of Shares Traded during the month	Turnover Rs. In Lakhs
	High	Low	Close		
April-2015	3.33	2.45	3.33	59101	174208
May-2015	4.83	3.33	4.83	702647	2654205
June-2015	5.95	4.72	4.72	740280	4117972
July-2015	4.63	2.9	4.00	343691	1263962
August-2015	5.35	3.61	3.85	318337	1433078
Sept.-2015	4.1	3.04	3.58	79973	285950
Oct.,-2015	4	2.62	3.12	141706	464592
Nov.-2015	3.36	2.87	3.05	98401	314763
Dec.-2015	3.34	2.22	2.92	553807	1416072
Jan.-2016	3.79	2.7	3.3	287151	958029
Feb.-2016	3.4	2.34	2.65	100203	267356
March-2016	3.05	2.43	3.00	128394	337288

\*(Source BSE Limited)

**SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS:**

**i. Share transfers:**

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.



**ii. Nomination facility for shareholding:**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for members in respect of shares held by them.

Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the MCA's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

**iii. Permanent Account Number (PAN):**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

**iv. Sub-division of shares:**

The Company had not subdivided any share in the past 5 years.

**v. Dividend:**

**a. Unclaimed Dividends:**

The Company has not declared any dividend therefore it was not required to transfer any dividends which have remained unpaid/unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government during the year financial.

**vi. Pending Investors' Grievances:**

Any Member/Investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence.

**vii. Redressal of investor grievances through SEBI SCORES mechanism:**

SEBI has issued various circular for Listed Companies to Registered itself on SCORES. It is a web based centralized grievance redress system of SEBI. SCORES enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online from the SCORES website.

Your Company is also registered on SCORES and promptly redressing investor grievances. The same is maintaining by our Registrar and Share Transfer Agent M/s Link Intime India Private Limited.

**viii. Reconciliation of Share Capital Audit:**

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and is also placed before the Board of Directors. The Company is in process to get listing of the shares for the preferential allotments made as well as reconciliation of the issued, subscribed and paid up capital with the CDSL, NSDL and BSE.

**Distribution of Shareholding as on March, 31, 2016:**

Share Holding of Nominal Value (Slab)	Share Holders Number	% of ShareHolders	Share Amount In RS.	% to Total
1-5000	6191	81.4927	10192710	10.8424
5001-10000	643	8.4639	5685180	6.0476
10001-20000	324	4.2648	5253740	5.5886
20001-30000	118	1.5532	3069160	3.2648
30001-40000	53	0.6976	1882110	2.0021
40001-50000	72	0.9477	3448620	3.6685
50001-100000	105	1.3821	7730860	8.2237
100000-above	91	1.1978	56745120	60.3623
<b>Total</b>	<b>7597</b>	<b>100.00</b>	<b>94007500</b>	<b>100.00</b>

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.



<b>A) Shareholding Pattern as on 31<sup>st</sup> March, 2016:</b>		
<b>Category</b>	<b>No. of Shares held</b>	<b>%</b>
Promoters & directors	2905271	30.90
Banks, Financial Institutions, Insurance Companies & Mutual Funds		
i. Banks	0.00	0.00
ii. Financial Institutions /Bank	285509	3.037
iii. Insurance Companies	0.00	0.00
iv. Mutual Funds/UTI	550	0.005
Central & State Governments	2200	0.0234
Non -Institutions		
Bodies Corporate	0.00	0.00
Individuals - shareholders holding nominal share capital up to Rs 2 Lakh	3917340	41.67
Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	1358681	14.45
Any Others	931199	9.86
<b>Total</b>	<b>9400750</b>	<b>100.00</b>

**B) Compliance Officer of the Company:** CS Shivani Khandelwal, Company Secretary is designated as the Compliance Officer.

**C)Share holder Compliant Status during the financial year 2015-16:**

No. of Shareholder Compliant received	No. of Complaint resolved	No. of Compliant Pending.
21	21	-

**D) MEANS OF COMMUNICATION**

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges after closure of the Board meeting within the stipulated time. These are widely published in following newspapers. These results are simultaneously hosted on the website of the Company at [www.gajrabevel.com](http://www.gajrabevel.com) and also uploaded by the BSE on the website of the BSE Ltd.

Quarterly Results	Newspaper Publication date	Name of the newspaper	Displayed in Website
30.06.2015	15.08.2015	Freepress- English &Chothasansar - Hindi	Yes
30.09.2015	17.11.2015	do	Yes
31.12.2015	13.02.2015	do	Yes
31.03.2016	31.05.2016	do	Yes

**E) INFORMATION ON GENERAL BODY MEETINGS**

The details of the location and time for last three Annual General Meetings are given hereunder: -

Year	Location	Date	Time	Special Resolutions	Special resolution through postal Ballot
2015	Industrial Area, A.B. Road, Dewas, (M.P.) 455001	30.09.2015	2:00 p.m.	Nil	Nil
2014	Industrial Area A.B. Road, Dewas, (M.P.) 455001	30.09.2014	2:00 p.m.	3	Nil
2013	Industrial Area A.B. Road, Dewas, (M.P.) 455001	31.12.2013	11:30 a.m.	Nil	Nil,

During the year under review, no extra ordinary general meeting was held as well as no resolution was passed through the Postal Ballot process.

**DECLARATIONS:**



Board Meeting for consideration of Accounts for the financial year ended March 31, 2016	
Posting of Annual Reports	On or before 4 <sup>th</sup> Sept., 2016
Book Closure Dates	26 <sup>th</sup> Sept., 2016 to 30 <sup>th</sup> Sept., 2016 both days inclusive
Last date for receipt of Proxy Forms	28 <sup>th</sup> Sep ,2016 before 2.00 p.m.
Date, Time & Venue of the 41 <sup>st</sup> Annual General Meeting	30.09.2016 At 2.00 P.M.at the Registered office of the Company at 3-7,Industrial Area, A.B.Road,Dewas (M.P.) 455001.
Dividend Payment Date	N.A.
Probable date of despatch of warrants	N.A.
Board Meeting for consideration of audited quarterly results for the financial year ended 31.03.2016	30 <sup>th</sup> May, 2016

#### **COMPLIANCE WITH NON-MANDATORY REQUIRMENTS OF SEBI (LODR) REGULATIONS, 2015**

The company has obtain a certificate from either the auditors or practicing company secretaries regarding the compliance to conditions of corporate governance as stipulated in the clause and appended the certificate to the Board's Report which is sent annually to all our shareholders.

We have obtained a Certificate to this effect which is provided as an annexure to the Corporate Governance Report. The clause further states that the non-mandatory requirements may be implemented as per our discretion. However, the disclosures of compliance with mandatory requirements, and the adoption (and compliance)/non-adoption of the non-mandatory requirements shall be made in this section of the Annual Report.

As per the policy of the company Internal Auditors directly report to Audit Committee of the Company.

#### **DISCLOSURES**

- a. There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at <http://www.gajrabevel.com>
- b. There were no non compliance by the Company and no penalty imposed by the stock exchange of the SEBI or any statutory authority on any matter related to capital market during the last three year.
- c. The Company has formed and hosted the Vigil Mechanism Policy on the website of the Company, and the Company confirm that no personnel were denied to access to the audit committee.
- d. The Company has complied with all the mandatory requirements under the SEBI (LODR) Regulations, 2015 as applicable.
- e. The Company has hosted all the required policy on the website of the company, however, the Company is not having any subsidiary during the year 2015-16.
- f. The Company has given the web link of the related party transaction in the annual report.
- g. Since the Company is not dealing in commodity hedging, therefore, it is not having any risk associated thereto.
- h. The Company is not having any security to credit in the d-mat suspense account or unclaimed suspense account u/s 124(5) and (6) of the Companies Act, 2013.

#### **DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF SEBI (LODR) REGULATIONS , 2015**

The status of compliance with discretionary recommendations of the Regulation 27 of SEBI (LODR) Regulations , 2015 with Stock Exchanges is provided below:

- i) Non-Executive Chairman's Office: Chairman's office is separate from that of the Managing Director & CEO However, the same is now maintained by the Chairman himself.
- ii) Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- iii) Modified Opinion in Auditors Report: The Company's financial statement for the year 2015-16 does not contain any modified audit opinion.
- iv) Separate posts of Chairman and CEO: The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.
- v) Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.



**For and on behalf of the Board**

**Place: Indore  
Date: 13.08.2016**

**Surendra Singh  
Chairman  
DIN :01260862**

### **Compliance with Code of Business Conduct and Ethics**

As provided under SEBI (LODR) Regulations, 2015 with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2016.

**For and on behalf of the Board**

**Place: Indore  
Date: 13.08.2016**

**Surendra Singh  
Chairman  
DIN :01260862**

### **CEO / CFO CERTIFICATION**

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Gajra Bevel Gears Limited (“the Company”) to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2016 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- c. We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over the financial reporting.

**Ranveer Singh  
CEO**

**Mr. Atul Rangnekar  
Chief Financial Officer**

**Place: Indore  
Date: 13.08.2016**



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

{Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To,  
The Members,

We have examined the compliance of conditions of Corporate Governance by Gajra Bevel Gears Limited for the year ended 31st March, 2016 as stipulated in SEBI (LODR) Regulation, 2015 with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance of the conditions of the Corporate Governance. 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 in all material respects as stipulated in SEBI (LODR) Regulation, 2015 with the conditions of Corporate Governance.

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**

**PLACE: INDORE  
DATED: 13.08.2016**

**SAMEEP GANDHI  
PARTNER  
M.NO. 41110**





## **Independent Auditor's 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 (the company)** which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the statement of profit & loss, cash Flow Statement for the year ended and a summary of significant accounting policies with other explanatory information.

#### **Management's Responsibility for the Financial Statement**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act, and Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Director, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

The 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 was been filed by Company with the BIFR and the same was 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 the OTS with Madhya Pradesh Financial Corporation is under process. The Company has paid in full of OTS amount to SBI, IDBI and IFCI last year and has also made substantial payment to MPAVN and MPSIDC towards the OTS, attention is also invited to Note 15.

Subject to above, in our opinion and to the best of information and according to the explanation given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give true and fair views in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and regulatory Requirement**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the said Order.

### **As required by section 143(3) of the Act, we report that:**

- (a) We have sought and 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 it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of Accounts.



- (d) In our opinion the aforesaid financial statements comply with the Accounting Standards specified under section 133 of Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31<sup>st</sup>, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2016 from being appointed as the directors in terms of section 164(2) of the Act.
- (f) With respect to the other matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 14.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
  - (iii) There was no such amount required to be transferred to the Investor Education and Protection Fund by the Company, hence the matter of delay does not arise.

**O.T. Gandhi & Co.**  
**Chartered Accountants**  
**Firm Registration Number: 001120C**

**Sameep Gandhi**  
**(Partner)**  
**M.No.: 411107,**  
**Place: Indore,**  
**Date: 30<sup>th</sup> May, 2016**

#### **ANNEXURE TO THE AUDITOR'S REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company for the year ended 31 March, 2016, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The Company has a regular programme of physical verification of its assets. In accordance with this programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regards to the size of Company and the nature of its assets.  
(c) According to the information and explanations given to us and on the basis of our examination of the record of the Company, the title deeds of immovable property are held in the name of the Company.



2. The inventory has been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on verification between the physical stocks and book records were not material.
3. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms or parties covered in the register maintained under section 189 of the Act.
4. According to the information and explanation given to us, the Company has not provided any loans, investments, guarantees, security in accordance of the provisions of section 185 and 186 of the Companies Act, 2013.
5. In our opinion and according to information and explanation given to us the Company has not accepted any deposit from the public in accordance of section 73 to 76 or any other relevant provision of the Companies Act, 2013 during the year.
6. 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 sub-section (1) of section 148 of the Act. Having no manufacturing activities in the Company the maintenance of cost records is not applicable.
7. (a) Owing to the financial sickness, in the operative years, 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. However, after the grant of installment facility the Company is regular in payment of installments of Provident Fund dues and also positive about the payment of other dues subject to getting installment facility from the respective Authorities. The status of unpaid dues as on 31.03.2016 is as under:-

<b>Nature of Dues</b>	<b>Amount (Rs. In Lakhs)</b>
Provident Fund Contribution (Net of Installment payments made) As per Demand note dated 03-03-2011	26.17
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:

<b>Assessment Year</b>	<b>Assessed demand (Rs. In Lakhs)</b>
1999-2000	16.64
2001-2002	27.72
2002-2003	48.09
2005-2006	267.81
2006-2007	205.35
<b>TOTAL</b>	<b>565.61</b>

8. As per the records of the Company and based on our audit procedures, during the year, the Company has not made any payment of dues to Madhya Pradesh Financial



Corporation and Madhya Pradesh State Industrial Development Corporation (MPSIDC). The status of unpaid amount is as under:-

	<b>Particular</b>	<b>Amount (Rs. In Lakhs)</b>
<b>1.</b>	Madhya Pradesh Financial Institution	890.77
<b>2.</b>	Madhya Pradesh State Industrial Development Corporation	18.00

\*The OTS of loans is pending.

9. According to the information and explanations given to us and based on our examination of the record of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year.
10. 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.
11. According to the information and explanations given to us and based on our examination of the record of the Company, managerial remuneration was paid in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, The company was involved in related party transaction as per sections 177 and 188 of the Companies Act, 2013.
14. As per the records of the Company and based on our audit procedures, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into any non cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For : O.T. Gandhi & Co.**  
**Chartered Accountants**  
**Firm Registration Number: 001120C**

**Sameep Gandhi**  
**(Partner)**  
**Place: Indore**  
**Date: 30<sup>th</sup> May, 2016**



### Balance Sheet as at 31st March 2016

	Notes	31 March 2016 (In Rs.)	31 March 2015 (In Rs.)
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	94,041,579.00	94,041,579.00
(b) Reserves and surplus	3	(450,933,242.69)	(434,593,878.69)
		<hr/>	<hr/>
		(356,891,663.69)	340,552,299.69
<b>Non-current liabilities</b>			
(a) Long Term Borrowings	4	372,268,436.65	352,114,827.65
(b) Long-term provisions	5	18,885,611.00	18,885,611.00
		<hr/>	<hr/>
		391,154,047.65	371,000,438.65
<b>Current liabilities</b>			
(a) Trade payable	6	45,345,471.64	50,454,266.64
(b) Short-term provisions	7	31,891,159.00	31,947,669.00
		<hr/>	<hr/>
		77,236,630.64	82,401,935.64
<b>TOTAL</b>		<hr/>	<hr/>
		111,499,014.60	112,850,074.60
<b>Assets</b>			
		<hr/>	<hr/>
<b>Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	8	971,650.00	1,645,277.00
(b) Capital Work in Progress and advance against Capital expenditure		4,593,589.00	4,593,589.00
(c) Non-current Investments	9	585,000.00	585,000.00
		<hr/>	<hr/>
		6,150,239.00	7,501,894.00
<b>Current assets</b>			
(a) Inventories	10	25,341,691.00	38,083,050.00
(b) Trade receivables	11	67,461,714.77	67,902,333.77
(c) Cash and cash equivalents	12	131,925.21	407,177.21
(d) Short Term Loans and Advances	13	12,413,444.62	12,375,006.62
		<hr/>	<hr/>
		105,348,775.60	106,026,208.60
<b>TOTAL</b>		<hr/>	<hr/>
		111,499,014.60	112,850,074.60
Significant accounting policies and notes to accounts	1-22		



Note : Previous year figures have been regrouped and rearranged wherever necessary.

As per our report on even date

For and on behalf of Board of Directors of

**FOR : O.T. Gandhi & Co.**  
Chartered Accountants  
Firm's Registration No: 001120C

Surendra Singh  
Director  
DIN: 01260862

Ranveer Singh  
Chief Executive  
Officer

**Sameep Gandhi**  
Partner  
Membership No: 411107

**AtulRangnekar**  
Chief Finance Officer

**Shivani Khandelwal**  
Company Secretary

Indore  
30th May, 2016

Mrs. Rani Singh  
Director  
DIN:01015696

**Statement of profit and loss for the year ended 31st March, 2016**

Particulars	Notes	31 March 2016 (In Rs)	31 March 2015 (In Rs.)
Income			
Revenue From Operations		-	-
Other income	15	50338.00	52,926,063.00
<b>Total Revenue (I)</b>		<b>50338.00</b>	<b>52,926,063.00</b>
Expenses			
Cost of material consumed	16	-	-
(Increase)/Decrease in Stock	17	-	-
Other expenses	18	2,293,466.00	14,844,782.70
<b>Total (II)</b>		<b>2,293,466.00</b>	<b>14,844,782.70</b>
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)		(2,243,128.00)	38,081,280.30
Finance Cost		-	-
Depreciation and Amortization expense	19	673,627.00	678,028.00
<b>Profit before tax</b>		<b>(2,916,755.00)</b>	<b>37,403,252.30</b>
Tax expense			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Total Tax Expense</b>		<b>-</b>	<b>-</b>
Less : Provision for Income Tax & Commercial Tax Liabilities of Earlier Years	20	13,422,609.00	
<b>Profit for the period</b>		<b>(16,339,364.00)</b>	<b>37,403,252.30</b>
Earning Per Equity Share	21	(1.74)	3.98
Significant accounting policies and notes to accounts	1-22		



As per our report of even date

For and on behalf of Board of Directors

**FOR : O.T. Gandhi & Co.**  
Chartered Accountants  
Firm's Registration No: 001120C

Surendra Singh  
Director  
DIN: 01260862

Ranveer Singh  
Chief Executive  
Officer

**Sameep Gandhi**  
Partner  
Membership No: 411107

*Atul Rangnekar*  
Chief Finance  
Officer

*Shivani  
Khandelwal*  
Company  
Secretary

Indore  
30th May, 2016

Mrs. Rani Singh  
Director  
DIN:01015696





Cash Flow Statements for the year ended 31st March 2016

	31.03.2016	31.03.2015
	(In Rs.)	(In Rs.)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit(Loss) before tax and extraordinary items	(16,339,364.00)	37,403,252.30
Adjustment for :		
-Depreciation	673,627.00	678,028.00
Interest Waiver	-	(45,601,978.00)
-Interest Expenses	13,422,609.00	
-Interest Income	(44,673.00)	(41,330.00)
- Loss on Sale of Used Tools and Spares	-	5,460,584.00
-Dividend Income	(5,400.00)	(1,980.00)
Operating profit before working capital change	(2,293,201.00)	(2,103,423.70)
Increase/(decrease) in Short Term Provisions	(56,510.00)	343,882.00
Increase/(decrease) in Trade Receivables	440,619.00	1,099,525.68
Increase/(decrease) in Loans & Advances	(38,438.00)	(41,330.00)
Increase/(decrease) in Trade Payables	(5,108,795.00)	(9,233,956.00)
Cash generated from (used in ) Operation :	(7,056,325.00)	(9,935,302.02)
Direct Taxes	-	-
Net Cash Flow from /(used in) Operating activity	(7,056,325.00)	(9,935,302.02)
<b>Cash flow from investing activities</b>		
Interest Income	44,673.00	41,330.00
Sale of used Tools and Spares	-	7,280,775.00
Dividend Income	5,400.00	1,980.00
Net Cash Flow from /(used in) Investing activity	50,073.00	7,324,085.00
<b>CASH FROM FINANCING ACTIVITIES</b>		
Proceeds from loan	20,153,609.00	-
Repayment of loan	-	(50,103,163.00)
Interest Expenses	(13,422,609.00)	-
Interest Waiver	-	45,601,978.00
Net Cash Flow from /(used in) in financing activity	6,731,000.00	(4,501,185.00)
NET (Increase) / Decrease IN CASH AND CASH EQUIVALANTS (A + B + C)	(275,252.00)	(7,112,402.02)
Cash and cash equivalent at beginning of year	407,177.21	7,519,579.23
Cash and cash equivalent at end of the year	131,925.21	407,177.21



Note :

1) INCLUDE JOURNAL ENTRIES OF THEIR SISTER CONCERN EITHER PAID ON BEHALF OR OTHERWISE

As per our report of even date

For and on behalf of Board of  
Directors of

Gajra Bevel Gears Limited

O.T. Gandhi & Co.  
Chartered Accountants  
Firm's Registration No: 001120C

Surendra Singh  
Director  
DIN: 01260862

Ranveer Singh  
Chief Executive Officer

Sameep Gandhi  
Partner  
Membership No: 411107

Atul Rangnekar  
Company Financial Officer

Shivani Khandelwal  
Company Secretary

Indore  
30th May, 2016

Mrs. Rani Singh  
Director  
DIN :01015696

### Notes to financial statements for the period ended 31st March 2016

#### Company Background

Gajra Bevel Gears Limited is a Public Limited Company incorporated under the Indian Companies Act, 1956. The Company is engaged in business of manufacturing vast range of gears, Differential and transmission gears and other products to keep automotive progress on the move.

#### Note: 1 Significant Accounting Policy

##### 1.1. Basis of preparation of financial statements

###### (a) Basis of Accounting:

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, and other relevant provisions of the Companies Act, 1956, to the extent applicable.

###### (b) Use of 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 on the date of Financial Statements. 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 amount of assets or liabilities in future periods.

##### 1.2 Tangible and Intangible Assets:

###### (a) Tangible Fixed Assets

Tangible 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.

###### (b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible asset are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or loss on disposal of intangible asset is recognized in the Statement of Profit and Loss.

###### (c) Capital Work in Progress and Capital Advances



Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

**(d) Depreciation and Amortization**

Depreciation on tangible fixed assets is provided using the Straight-Line Method using the rates arrived at based on the useful lives estimated by the management. Due to the seizure of factory premises by the Provident Fund Authorities the management of the Company was unable to access to the asset register of Company to do the exercise to charge depreciation based on revised remaining useful life of the assets as per the revised schedule II of Company's Act 2013 and therefore, the amount of depreciation for the year is calculated on the basis of rates applied in the earlier years.

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.

**1.3 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.

**Dividends:**

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

**1.4 Inventories**

- (a) Inventories are valued at the lower of cost and net realizable 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.
- (b) The cost of purchase material is determined on the FIFO method. Cost of inventory comprises all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other cost incurred in bringing the inventory to their present location and condition.
- (c) Work-in-progress and manufacturing goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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.

**1.5 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.

**1.6 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. Any settlement/dues of provident fund shall be paid as per order of competent authority.



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.

**1.7 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.

**1.8 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.

**1.9 Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number 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 year 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.

**1.10 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.

**1.11 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 year end 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, unabsorbed depreciation and having the status of a SICK INDUSTRIAL COMPANY declared by the BIFR, the Company does not expect any current tax liability for the Financial Years 2007-08 to 2014-15 (Assessment Years 2008-09 to 2015-16 and hence no provision has been made for current taxes for these years.

**1.12 Measurement of EBITDA:**

The company has opted to present earnings before interest (financecost), tax, depreciation and amortization(EBITDA) as a separate line item on the face of the statement of Profit & Loss for the year. The Company measures EBITDA on the basis of profit/(loss) from continuing operations.



NOTES FORMING PART OF BALANCE SHEET

Note - 2 : Share Capital

Share Capital	31 March 2016		31 March 2015	
	Number	In Rs.	Number	In Rs.
<u>Authorised</u>				
13000000 Equity Shares of Rs. 10/- each	13,000,000	130,000,000.00	13,000,000	130,000,000.00
<u>Issued</u>				
9400750 Equity Shares of 10/- each	9,400,750	94,007,500.00	9,400,750	94,007,500.00
Add: Forfeited 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>
<u>Subscribed &amp; fully Paid up</u>				
Equity Shares of 10/- each	9,400,750	94,007,500.00	9,400,750	94,007,500.00
Add: Forfeited 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 2016		31 March 2015	
	Number	In Rs.	Number	In Rs.
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 2016		31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Surendra Singh	1926980	20.50%	1926980	20.50%
	1926980	20.50%	3673104	39.07%



NOTES FORMING PART OF BALANCE SHEET

Note - 3 : Reserve & surplus

Reserves & Surplus	31 March 2016	31 March 2015
	In Rs.	In Rs.
A) Share Premium	14,758,450.00	14,758,450.00
B) Profit & Loss account As per Last Balance Sheet	(456,278,240.69)	(493,681,492.99)
Addition during the year	(16,339,364.00)	37,403,252.30
C) Capital Reserve	11,448.00	11,448.00
D) Capital Subsidy	1,914,464.00	1,914,464.00
E) General Reserve	5,000,000.00	5,000,000.00
<b>Total</b>	<b>(450,933,242.69)</b>	<b>(434,593,878.69)</b>

Note -4 : Long Term Borrowings

(a) Secured Loans

Secured Loans	31 March 2016	31 March 2015
	In Rs.	In Rs.
MPFC-WCTL/FITL	89,077,834.00	75,655,225.00
MPSIDC(ICD) & MPAVN Sales Tax Loan	1,800,000.00	1,800,000.00
<b>Total</b>	<b>90,877,834.00</b>	<b>77,455,225.00</b>

- a) Interest free sales tax loan from-MPAVN Ltd is secured by way of second charged on movable and immovable properties of the company.
- b) 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.
- c) Term loans are shown inclusive of interest accrued thereon upto the year ended on 30-09-2006.
- d) Loans from MPAKVN 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 which has been challenged by the Company in High Court of M.P.Bench at Indore, and due to pendency of dispute of payment of Rs.18 Lacs, the MPSIDC has not withdrawn one of the cases u/s.138 of N.I.Act.

(b) Unsecured Loans

Unsecured Loans	31 March 2016 (In Rs.)	31 March 2015 (In Rs.)
	Rani Agro Pvt. Ltd.	5,44,344,47.03
Abhimanyu Agro Pvt. Ltd.	226,956,155.62	226,956,155.62
<b>Total</b>	<b>281,390,602.65</b>	<b>274,659,602.65</b>



- M/s. Abhimanyu Agro Pvt. Ltd. & M/s. Rani Agro Pvt. Ltd are related parties (Associate Concerns).

-The unsecured loan taken from two companies M/s. Abhimanyu Agro Pvt. Ltd. & M/s. Rani Agro Pvt. Ltd. to the tune of Rs.2746.59 Lacs is to be considered, subject to approval of BIFR, as amount received from "Strategic Investors" under the DRS being prepared for rehabilitation of the Company and therefore, the Company has not made any provision of interest on account of such loan.

Note- 5 Long-term provision	31 March 2016	31 March 2015
	In Rs.	In Rs.
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-6 Trade payable	31March2016	31March2015
	In Rs.	In Rs.
Sundry Creditors	45,345,471.64	50,454,266.64
	45,345,471.64	50,454,266.64
Note- 7 Short-term provision	31 March 2016	31 March 2015
	In Rs.	In Rs.
Audit fees provision	30,000.00	30,000.00
VAT Payable on Scrap Sales of Tools and Spares	364,042.00	364,042.00
DIC Lease payable	4,500.00	4,500.00
TDS on security charges	1,516.00	1,337.00
Professional tax payable	7,500.00	7,500.00
DIC Lease Rent payable	9,000.00	-
Security Charges Payable	-	65,689.00
Commercial Tax Payable	16,563,103.00	16,563,103.00
Income Tax & Penalties Payable	14,911,498.00	14,911,498.00
Total	31,891,159.00	31,947,669.00



Gajra Bevel Gears Limited  
NOTES FORMING PART OF BALANCE SHEET

Note-8 : Fixed Assets

S.No.	Particulars	Gross Block			Depreciation				Net Block		
		Cost As On 01.04.2015	Addition During The Year	Sale / Disposal During The Year	Total As On 31.03.2016	Upto 01.04.2015	For The Year	Adjustment	Upto 31.03.2016	Net Carrying Amount As On 31.03.2016	Net Carrying Amount As On 31.03.2015
1	Tangible Assets Leasehold-Land	15,228.00	-	-	15,228.00	6,352.00	152.00	-	6,504.00	8,724.00	8,876.00
2	Factory Building	20,163,919.00	-	-	20,163,919.00	18,527,518.00	673,475.00	-	19,200,993.00	962,926.00	1,636,401.00
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	326,124.00	-	-	326,124.00	-	-
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	279,377,287.00	673,627.00	-	280,050,914.00	971,650.00	1,645,277.00
	Previous Year	281,022,564.00	-	-	281,022,564.00	278,699,259.00	678,028.00	-	279,377,287.00	1,645,277.00	2,323,305.00

Note : Due to the charge of depreciation, the WDV of assets at Sr.No. 3 to 9 has become zero. These depreciated assets are still in existence and therefore, these are shown in the schedule.

Note 9: Non-current Investments

Investments

7200 equity shares of IDBI, Rs 10 each(Quoted)  
Quoted Value as on 31.03.2016Rs.69.50  
(as on 31.03.2015Rs.71.05)

Total

31 March 2016      31 March 2015  
In Rs.                      In Rs.

585,000.00                      585,000.00

585,000.00                      585,000.00

Note 10 : Inventories

Inventories

Raw Material

Work In Progress

Finished Goods

Packing Material

Indigenous tools and spares

imported loose tools and spares

(As certified by the management)

Total

31 March 2016      31 March 2015  
In Rs.                      In Rs.

2,554,755.00                      2,554,755.00

7,110,395.00                      7,110,395.00

11,075,598.00                      11,075,598.00

2,816.00                              2,816.00

2,584,759.00                      2,584,759.00

2,013,368.00                      2,013,368.00

25,341,691.00                      25,341,691.00





Note11 : Trade Receivable

	31 March 2016	31 March 2015
	In Rs.	In Rs.
Trade Receivables		
Unsecured and considered goods:		
More than six months	67,461,714.77	67,902,333.77
Unsecured and considered doubtful:		
More than six months	-	-
<b>Total</b>	<b>67,461,714.77</b>	<b>67,902,333.77</b>

Note 12 : Cash and Cash Equivalent

	31 March 2016	31 March 2015
	In Rs.	In Rs.
Cash and cash equivalents		
Balances with banks		
Current accounts	127,108.21	402,360.21
Cash on hand	4,817.00	4,817.00
<b>Total</b>	<b>131,925.21</b>	<b>407,177.21</b>

Note 13 : Short Term Loans & Advances

	31 March 2016	31 March 2015
	In Rs.	In Rs.
Loans and Advances		
Unsecured (Considered Good unless otherwise stated)		
Advances Recoverable in cash or in kind	6,669,850.62	6,669,850.62
Considered doubtful	-	-
	<b>6,669,850.62</b>	<b>6,669,850.62</b>
Less: Provision for doubtful advances	-	-
	6,669,850.62	6,669,850.62
Income tax payment / TDS receivable	4,468.00	6,235.00
Security Deposits	5,200,959.00	5,200,959.00
Margine Money Fixed Deposit	538,167.00	497,962.00
<b>Total</b>	<b>12,413,444.62.62</b>	<b>12,375,006.62</b>



Note 14 : Contingent Liabilities & Commitments

a) Claims against which the company not acknowledged as debt in respect of :		31.03.2016	30.06.2015
Assessed demand of Commercial Tax for which the Company has preferred for revision before the competent Authority.		Rs.565.61 Lacs	Rs.565.61 Lacs
Assessment Yr.	Demand Rs. in Lacs.		
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/ non- compliance of certain fiscal statues and claims lodged by the ex-employees- amounts are unascertainable.

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:

Particulars	31.03.16	31.03.15	31.03.14	30.06.13	30.09.12	30.09.11	30.09.10	30.09.09
Salaries & Wages	7922551	7922551	5941913	5941913	7922551	7922551	7922551	7922551
Dearness Allowance	13414928	13414928	10061196	10061196	13414928	13414928	13414928	13414928
Other Allowance	5463326	5463326	4097494	4097494	5463326	13414928	13414928	13414928
Contribution to PF	3014321	3014321	2260741	2260741	3014321	3014321	3014321	3014321
Contribution to ESIC	1550381	1550381	1162786	1162786	1550381	1550381	1550381	1550381
<b>TOTAL</b>	<b>31365507</b>	<b>31365507</b>	<b>23524130</b>	<b>23524130</b>	<b>31365507</b>	<b>39317109</b>	<b>39317109</b>	<b>39317109</b>

However, the Management of the Company is in talks with the Workers' Union for settlement of their dues amicably (ii) The Financial Liabilities on the account of legal cases pending against the company amounts are unascertainable.

\*See Note no. 1.8

Note 15 : Other Income	Particulars	31 March 2016	31 March 2015
		In Rs.	In Rs.
	Dividend Income From IDBI Shares	5,400.00	1,980.00
	Sale of Used Tools and Spares	-	7,280,775.00
	Interest on bank deposit	44,673	41,330.00
	Interest Received on IT Refund 265.00	-	45,601,978.00
	Waiver of Interest on OTS of Financial Institutions		
	<b>Total</b>	<b>50,338.00</b>	<b>52,926,063.00</b>



Note 16 : Cost of Material Consumed

Particulars	31 March 2016	31 March 2015
	In Rs.	In Rs.
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
<b>Total</b>	<b>-</b>	<b>-</b>

Note 17 : Details of changes in Stock

Particulars	31 March 2016	31 March 2015
	In Rs.	In Rs.
Increase/decrease in Stock		
Inventories at the Closing of the year		
As at 31st March 2015		
Work in progress	7,110,395.00	-
Finished goods	11,075,598.00	-
Inventories at the Beginning of the year		
As at 31st March 2015		
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 2014		
Work in progress	-	7,110,395.00
Finished goods	-	11,075,598.00
Increase/ decrease	-	-

Note 18 : Other Expenses

(A) Payments to the Auditor	31 March 2016	31 March 2015
	In Rs.	In Rs.
Auditor's Fees	30,000.00	25,000.00
<b>Total</b>	<b>30,000.00</b>	<b>25,000.00</b>

(B) Other Expenses	31 March 2016	31 March 2015
	In Rs.	In Rs.
Rent	149,280.00	136,920.00
Cost of Tools and Spares Sold	-	12,741,359.00
Certification charges	12,000.00	44,800.00
DIC Written Off	9,000.00	-
Legal expenses & fees	211,123.00	215,323.70
Office expenses	11,337.00	4,671.00
Printing & stationery	58,220.00	-
Salary	666,500.00	359,348.00
Professional fees	97,670.00	308,400.00



Professional tax	-	-
Security charges	736,578.00	729,968.00
Stock exchange charges	224,720.00	174,158.00
Travelling expenses	35,750.00	53,009.00
Bank charges	26,588.00.00	22,626.00
Courier Charges	24,700.00.00	24,200.00
Total	2,263,466.00	14,814,782.70
Total (A +B)	2,293,466.00	14,844,782.70
Note 19 : Depreciation and Amortization Expenses		
	31 March 2016	31 March 2015
	In Rs.	In Rs.
Depreciation	673,627.00	678,028.00
Total	673,627.00	678,028.00
Note-20 : Earlier Years Expenses / Taxes		
	31 March 2016	31 March 2015
	In Rs.	In Rs.
Interest on MPFC Loan	10,955,344.00	-
Penal Interest on MPFC Loan	2,403,994.00	-
Earlier Year Legal Charges	63,271	-
	13,422,609.00	38,356,111.00
Note-21 : Earning Per Share		
	31 March 2016	31 March 2015
	In Rs.	In Rs.
Profit attributable to equity shareholders	16,339,364.00	37,403,252.30
No. of shares	9,400,750.00	9,400,750.00
Earning Per Share-basic & Diluted	(1.74)	3.98



**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 41<sup>st</sup> Annual General Meeting of the Company, to be held on the 30<sup>th</sup> September, 2016 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 <sup>st</sup> March, 2016.
2.	Reappointment of Mr. Surendra Singh who is liable to retire by rotation being eligible offers himself for re-appointment.
3.	Ratification for appointment of Auditor for the Financial Year 2015-16 and fixing their remuneration

Signed this..... day of..... 2016

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**

41<sup>st</sup> Annual General Meeting of Gajra Bevel Gears Ltd. held on Friday, the 30<sup>th</sup> Sept., 2016 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 41<sup>st</sup> Annual General meeting of the company at the Registered office of the company 30<sup>th</sup> September, 2016.

(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.