

48th Annual Report
2013 - 2014



A DECADE OF DYNAMISM



48th Annual Report 2013 - 2014

Annual Report is a way to formally communicate with all our stakeholders. It is a medium where we put across our performance during the year along with the future aspirations. Through this 48th Annual Report; which is also the 10th year of the privatization of the then Gujarat State Export Corporation Limited, we have endeavored to recollect and reflect our past decade and tried to demonstrate the results of our efforts towards enhancing value for all the stakeholders.

We tried our best to represent the last 10 years of GSEC Limited through this Annual Report; we hope this exercise will enable you appreciate the journey of the new GSEC through the last decade.

We value your longstanding relationship, we value your trust. We promise, We care.

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CORPORATE INFORMATION

REGISTRATION DETAILS :

Registration number:	U52100GJ1965PLC001347	Registered Name:	GSEC Limited
Former names:	1. Gujarat State Export Corporation Limited 2. Gujarat Export Corporation Limited	Incorporation Date:	14.10.1965
Registered Office:	Gujarat Chamber's Building, Ashram Road Ahmedabad – 09.	Authorised Capital:	₹ 10,03,00,000/-
		Paid-up Capital:	₹ 7,55,00,000/-

OPERATIONS:

Ahmedabad

Air Cargo Complex
Old Airport
Ahmedabad -380012.
Gujarat
Tele: 079-22864747/5656

Indore

Air Cargo Complex
DABH Airport
Indore – 452005.
Madhya Pradesh
Tele: 0731-265757

Visakhapatnam

Air Cargo Complex
DCCB Bldg, Merripalem
Visakhapatnam – 530009.
Andhra Pradesh
Tele: 0891-2794199

BANKERS:

DCB Bank Limited

UCO Bank Limited

CONTACT US:

Registered Office –

GSEC Limited,
2nd Floor, Gujarat Chamber's Building,
Ashram Road,
Ahmedabad – 380 009.
Tele: 079 – 26575757, 26585757
Fax: 079 – 26584040
Web: www.gsecl.co.in
Mail: info@gsecl.co.in

Branch Office –

GSEC Limited,
2nd Floor, Udhog Bhawan,
Ashram Road,
Ahmedabad – 380 009.
Tele: 079 – 26575757, 26585757
Fax: 079 – 26554180
Web: www.gsecl.co.in
Mail: info@gsecl.co.in

CORPORATE GOVERNANCE

BOARD OF DIRECTORS:

Executive Directors

Shri Rakesh R. Shah	-	Chairman and Managing Director
Shri Samir H. Mankad	-	Whole-time Director
Shri Shaishav R. Shah	-	Whole-time Director

Non-executive Directors

Shri Chinubhai R. Shah	-	Director
Shri Shyamal S. Joshi	-	Director
Shri Natwarlal M. Patel	-	Director
Shri Bhalabhai C. Patel	-	Director

BOARD COMMITTEES:

Audit Committee	-	Remuneration Committee	-	Share transfer and Grievances Committee
Shri Shyamal S. Joshi		Shri Chinubhai R. Shah		Shri Chinubhai R. Shah
Shri Chinubhai R. Shah		Shri Natwarlal M. Patel		Shri Rakesh R. Shah
Shri Bhalabhai C. Patel		Shri Bhalabhai C. Patel		Shri Samir H. Mankad
Shri Samir H. Mankad				

COMPANY SECRETARY:

Shri Viral B. Mehta

PROFESSIONAL ACQUAINTANCES:

Statutory Auditors

BJS & Associates
Chartered Accountants
Ahmedabad

Internal Auditors

Dharmesh Parikh & Co.
Chartered Accountants
Ahmedabad

Corporate Law Advisors

Umesh Parikh & Associates
Company Secretaries
Ahmedabad

INVESTORS' CONTACT:

Registered Office

GSEC Limited,
2nd Floor, Gujarat Chamber's Building,
Ashram Road,
Ahmedabad – 380 009.
Tele: 079 – 26575757, 079-26585757
Fax: 079-26584040
Web: www.gsecl.co.in
Mail: viral.mehta@gsecl.co.in

Registrar and Share Transfer Agent

Sharepro Services (I) Private Limited
Office No.416-420, 4th Floor,
Devnandan Mega Mall,
Opp Sanyas Ashram,
Ashram Road, Ahmedabad - 380 006.
Tele: 079 – 26 58 23 81/82/83/84
Web: www.shareproservices.com
Mail: sharepro.ahmedabad@shareproservices.com

GSECL AT A GLANCE

GSEC Limited (Erstwhile Gujarat State Export Corporation Limited) is the core of the reputed GSEC Group of Companies headquartered at Gujarat. The Company has been acquired under the disinvestment proposal from the Government of Gujarat in 2004.

GSEC Limited is primarily engaged in the activities of Export and Import facilities and trading business. GSEC Limited is a custodian of Air Cargo Complexes at Ahmedabad, Indore and Visakhapatnam. At Visakhapatnam, it operates the Air Cargo complex under an Operations and Maintenance Arrangement with Andhra Pradesh Trade Promotion Corporation Limited (APTPC).

GSEC Limited was the first private company to take over the Air Cargo Complex of Ahmedabad as a custodian. Since the acquisition of the Company from the then Government of Gujarat, there were many redefining exercises incorporated by the new management under the kind guidance of Shri Rakesh R. Shah and Shri Samir H. Mankad. The redefined infrastructure, speed of processing, delivery, security, computerized systems, state of the art facilities, service orientation and value addition to the clients' businesses today has made it an impeccable choice of many Corporate and Custom House Agents to patronize our services. GSEC Limited has made a strong market presence among the conventional and so called unbeatable Air Cargo services providers of the major western airports in a very short span of time. The company has able to gain the continued trust of the trader community of Gujarat who felt the sense of security provided by the company.

Apart from Cargo handling, the company is also into the trading of dyes and intermediates; The Company has also been awarded with Exclusive Dealership for Furnace Oil and Bitumen by M/s. Essar Oil Limited for the State of Gujarat and Rajasthan. The Company imports and sells Bitumen; used for road construction and has created port based storage infrastructure on own/lease routes. The Company has added PETCOKE and Air Turbine Fuel (ATF) to its product portfolio last year.

GSEC Limited has continuously explored its business operations and opportunities to increase the commonwealth of its investors without limiting itself to the geographical boundaries. Result being that it has become a well diversified Company having 3 subsidiaries and presence in 3 states.

The trust put in by the investors and trade community has worked like a driving force for the growth of the Company and the company has shown its commitment towards that trust in numbers as well as in its overall performance. GSEC Limited, along with its subsidiaries, is poised to repeat its growth story of last decade in coming years without limiting itself against any adversity, whether internal or external.





CHAIRMAN'S LETTER TO THE STAKEHOLDERS

Dear Shareowner,

As we are embarking upon 2014, its time to look back to a decade we had under the current management after taking over of the Company from the government ownership in 2004.

This has been a decade of believing in ourselves, vision, hard work, determination and dedication.

As a new management, we had a very little experience of the businesses we had committed to manage. But the self belief that with the right mixture of sincerity of our purpose and customer focus, we can overcome the limitation of lack of experience. The growth of our businesses had vindicated this belief. Our vision to excel both as a logistics services provider and facilitator for international trade enabled us to prioritize our resources in the initial years. We focused on overhauling operations at Air Cargo Complex, Ahmedabad completely, with an all encompassing goal of customer orientation. Through some very determined team members working hard, we replaced manual systems with computerized operations, made our operations compliant to ISO standards, invested in building, offices for our trade partners, x-ray machines, cold rooms, material handling equipments etc. Every growth opportunity was converted in to a milestone to be achieved. Dedicated pursuit of these milestones has resulted in to the success we cherish today.

Having learnt our ropes of logistics, we decided to extend our foot prints at other locations. In 2007, we began Indore Air Cargo Complex and in 2011, we began our Vizag Air Cargo Complex operations. We continuously look for opportunities in the air cargo sector.

Domestic and International trading has been another facet of our growth plans. With the right balance of risk management and sustainable opportunities, we have evolved a system where product mix change dynamically based on market conditions and risk. It would be naïve to state that the decade was without any challenges. In fact the initial years, challenges often were ominous. With a structural change from a Government undertaking to a private ownership created daunting regulatory challenges. We successfully completed an ambitious Voluntary Retirement Scheme (VRS) for a large number of employees within months of taking over the management and that created a temporary void in the human resource front. Change in customer orientation meant a complete change in attitude for our employees along with drastic process changes. We are very happy, in retrospect, to acknowledge the dedication of our team members for surmounting these challenges.



Media:
News, Press Release

Coming to the performance in fiscal year 2013-14, I take this opportunity to convey our commitment towards increasing the commonwealth of the members of GSEC Limited. Though the year 2013-14 has been a hard time for the Indian Economy in almost every facet, we being in a service industry facilitating import-export have been hit the hardest.

Despite of the negative economic environment, with a dedicated and focused approach, we managed to achieve the stable growth as compared to the last year. Our current Net Profit is recorded at ₹ 2.27 Crores as compared to the last year's ₹ 2.06 Crores. Revenue from the Air Cargo operations has risen by 22%, which stood at ₹ 18.72 crores against ₹ 15.39 Crores in the previous year. We have seen a tremendous rise of 48% in the turnover from our trading business. We traded in furnace oil, high speed diesel, aviation fuels and various other chemical products that have also seen a considerable rise in their overall profit from sales.

Our total turnover from both the businesses stood at ₹ 350.98 Crores which marked a leap of 46% from the previous year's ₹ 240.41 Crores, which I think is commendable year-to-year growth in terms of operations and revenues of the Company.

I hereby take this opportunity to convey my sincere thanks and gratitude to all the Shareowners, Board Members, Airport Authority of India, Customs Department, Custom House Agents, IATA Agents and all our valued exporters and importers as well as associates, for their unconditioned, undisputed, wholehearted and continued support we have received since last 10 years.

I recollect our dream to put GSEC on the nation's map as a successful diversified group of companies. I am sure you have witnessed the results of our journey through the last decade towards achieving that dream which I think we have amply realized. I assure all the stakeholders the same dedication and commitment from the management of the Company which has been a driving force for the success of the Company through the last decade.

With warm regards,
Rakesh Shah
Chairman & M.D.

A DECADE UNDER THE NEW MANAGEMENT

2004: GUJARAT STATE EXPORT CORPORATION LIMITED

A Government of Gujarat undertaking.

Operating Air Cargo complex at Ahmedabad Airport.

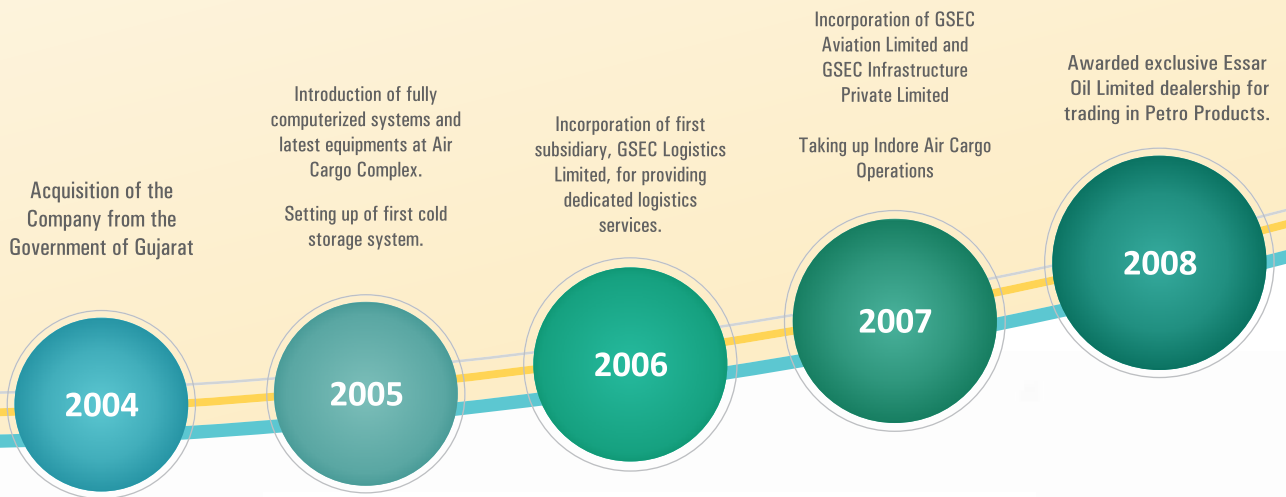
Presence: 1 state (I.e. Gujarat)

Capital: ₹ 15 Lacs

Profit (Before Tax): ₹ 6 Lacs

Turnover: ₹ 1.9 Crores

Net worth: ₹ 3 Crores





Acquisition of land for setting up the Inland Container Depot (ICD) at Ratlam, Madhya Pradesh.

Inauguration of the New Air Cargo Complex building doubling the total service area.

2013

Taking over of Komoline Aerospace Limited.

Formation of GSEC Green Energy Private Limited

2012

Taking up of Vizag Air Cargo operations under M&EM arrangement

2011

Setting up of First Gems and Jewellery Center at Ahmedabad Air Cargo Complex.

2010

2009

2014: GSEC LIMITED

After takeover by the new management

A diversified group of companies operating Air cargo complexes at 3 airports across India.

Presence: 3 states (I.e. Gujarat, Madhya Pradesh and Andhra Pradesh)

Capital: ₹ 7.55 Crores

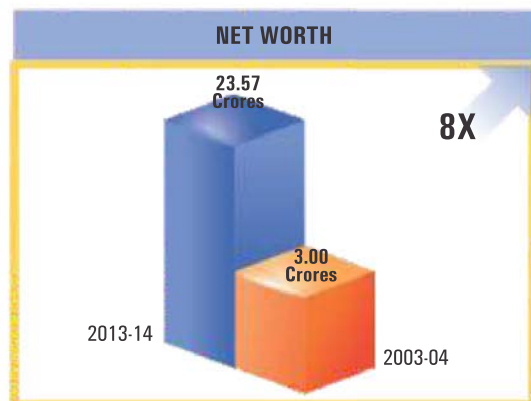
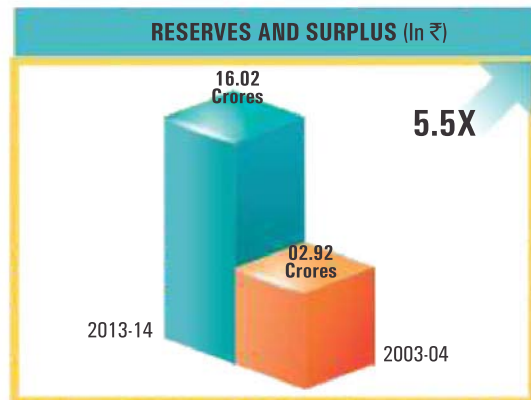
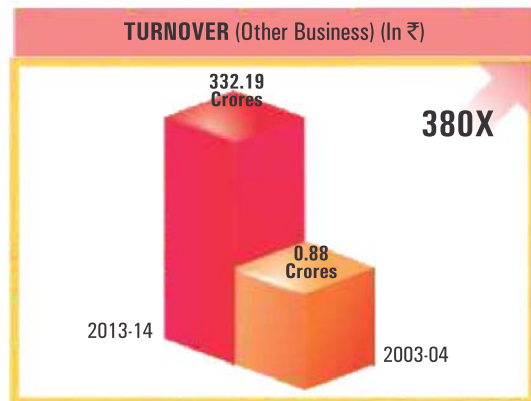
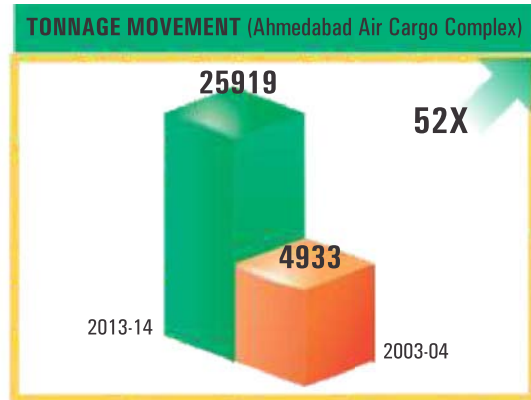
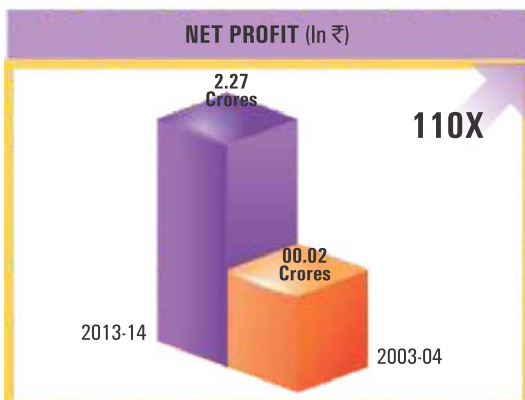
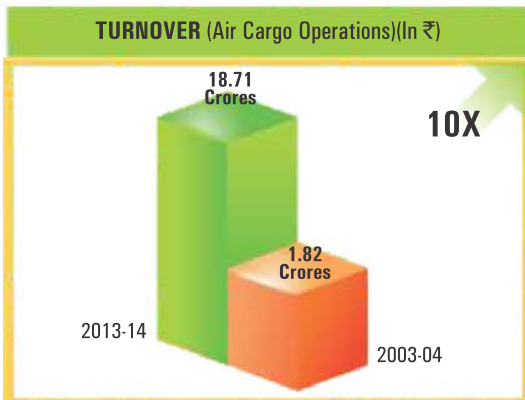
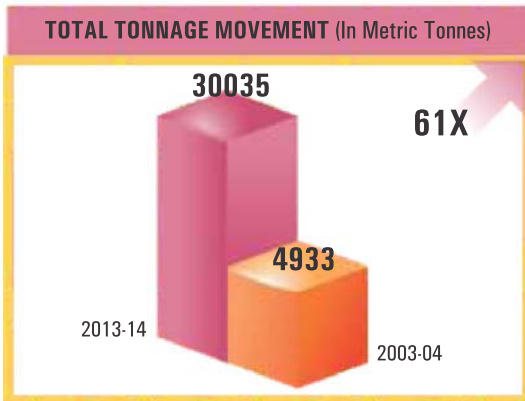
Turnover: ₹ 350 Crores

Profit (Before tax): ₹ 3.5 Crores

Net worth: ₹ 23.57 Crores

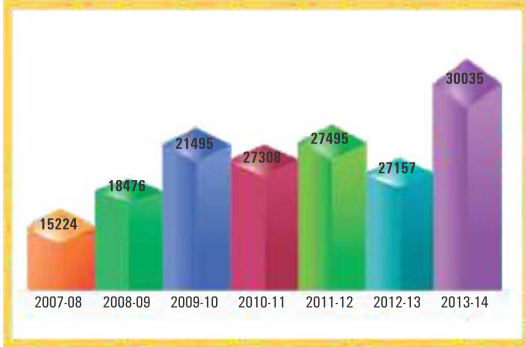
Group Companies: 6

HISTORICAL COMPARATIVE DATA (2004-2014)

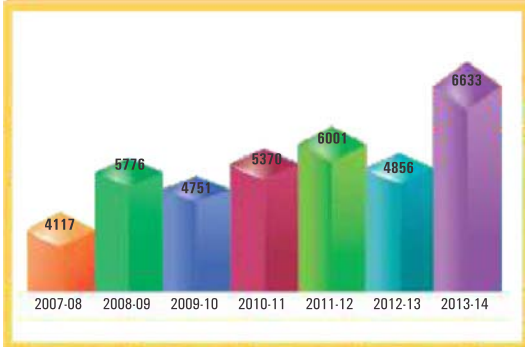


AIR CARGO OPERATIONS

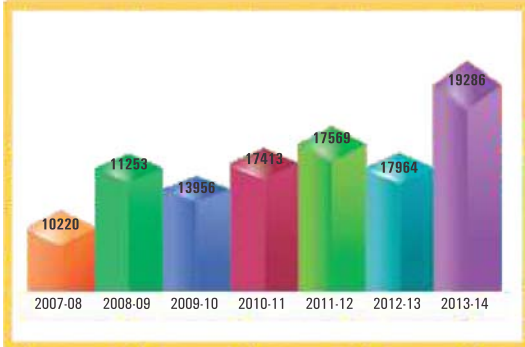
TOTAL TONNAGE MOVEMENT (In Metric Tonnes)



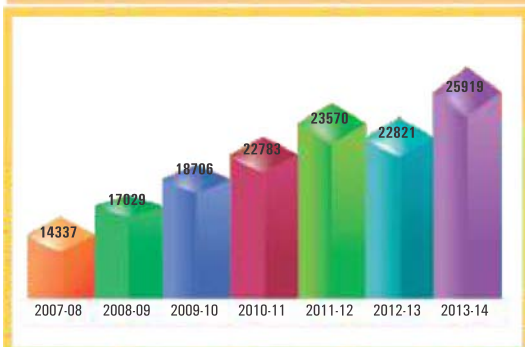
IMPORTS - AHMEDABAD AIR CARGO COMPLEX (In Metric Tonnes)



EXPORTS - AHMEDABAD AIR CARGO COMPLEX (In Metric Tonnes)



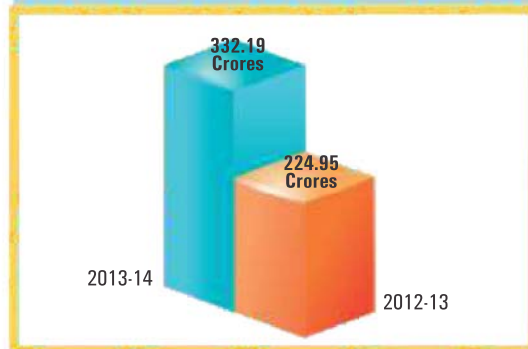
TONNAGE MOVEMENT - AHMEDABAD AIR CARGO COMPLEX (In Metric Tonnes)



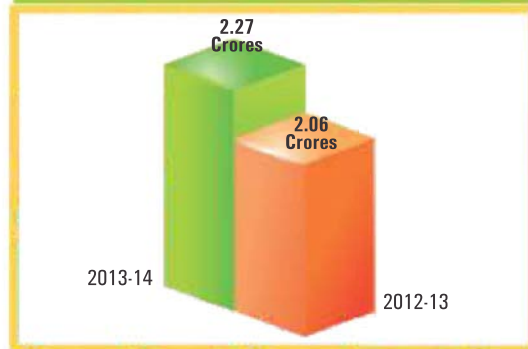
PERFORMANCE INDICATORS

(2012-13, 2013-14)

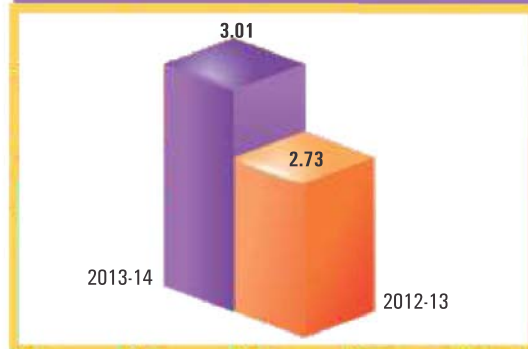
TOTAL TURNOVER (In ₹)



NET PROFIT (In ₹)



EPS (In ₹)





GSEC
LIMITED



GSEC Limited

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DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present herewith the 48th Annual Report together with the audited statements of accounts for the year ended 31st March, 2014.

1. Financial Results:

We must say, though the fiscal year 2013-14 has been a tough year for the Indian Economy, it helped us showing our commitment to our stakeholders in the hardest time. With national GDP falling below 5%, stringent revised norms of RBI for gold imports and the Royalty of Air Ports Authority of India as high as 13%; we had a hard time moving forward to the expected growth. However, we feel happy reporting the positive numbers on the cards as compared to last year which demonstrates our efforts for the continued growth of the Company. We present our financial performance as below:

Particulars	2013-14	2012-13
Revenue from operations and other Income	35,329.83	24,275.12
Profit before financial charges, Depreciation and taxation	907.38	833.03
Less: Financial charges	(384.02)	(348.97)
Less: Depreciation and amortization expenses	(171.86)	(189.45)
Profit before exceptional and prior period items and tax	351.50	294.61
Less: Exceptional items	(NIL)	(NIL)
Less: Prior period items	(NIL)	(NIL)
Profit before tax	351.50	294.61
Less: Current Tax	(114.00)	(100.00)
Less: Deferred Tax Liability	(7.53)	(11.63)
Less: Provision for tax of earlier years	(2.77)	(0.09)
Profit after taxation	227.20	206.15
Amount available for appropriation	227.20	206.15
Transfer to general reserve	25.00	25.00
Proposed dividend and dividend tax	88.33	78.29
Balance carried to balance sheet	113.87	127.86

2. Appropriations:

a) Transfer to reserves –

We propose to transfer ₹ 25,00,000/- (Rupees Twenty-five Lacs only) which is 11.01 % of the net profit of the Company to the general reserves.

b) Dividend –

Your directors are pleased to recommend a dividend @ 10% (₹ 1 per share) for the year ended 31st March, 2014 [(Previous Year @ 10% (₹ 1 per share)].

3. Operational Highlights and State of Affairs:

a) Air Cargo services:

The Company currently operates three Air Cargo Complexes which are situated at Ahmedabad, Indore and Visakhapatnam.

As the state of imports-exports of India has been under constant pressure during last year due to frequent fluctuation in currency rates, economic pressure, dis-encouraging trade policies, higher import duty etc the effect on the air cargo of the country as a whole has been

sharply negative. However, the company has managed to hold on its performance levels.

During the year, the Company has handled 30035 Metric Tonnes of Air Cargo out of which 25919 Metric Tonnes of Cargo handled at Ahmedabad Air Cargo Complex. The tonnage is more or less maintained compared to previous year despite adverse external environment. The Indore and Vizag Air Cargo Complexes have recorded the growth of nearly 20% and 30% respectively, in terms of revenue generated.

b) Trading Business -

Trading business forms a big part of the revenue generated by the Company and contributes to the operational profit to a great extent.

Your Company is an authorised distributor of Essar Oil Limited and engages itself in trading various products like Furness Oil, Bitumen and other petroleum products.

During the year under review, the Company has achieved commendable growth of nearly 50% in terms of revenue generated from the trading business. The revenue generated from trade for the current year stood at ` 332 Crores which was ` 225 Crores in the previous year.

4. Future Plans:

Your company has started the process of setting up its first foray into sea logistics by establishing an Inland Container Depot at Ratlam, in the state of Madhya Pradesh through its subsidiary "GSEC Logistics Limited".

The Company is also exploring different opportunities in the market for increasing its product portfolio for trading business.

5. Material and Strategic Change(s) during the year:

There were no material and significant changes in the governance, management and strategic formation of the company.

Your directors welcome the long awaited Companies Act, 2013 which seems forward looking and making the companies transparent and responsible. The company is committed to adhere the highest standards of governance and transparency.

6. Directors:

In accordance with the requirements of the Companies Act, 2013, Shri Samir Mankad (DIN: 00421878) shall retire by rotation at the ensuing Annual General Meeting and he being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

The Board of Directors has re-appointed Shri Rakesh Shah (DIN: 00421920) as the Chairman and Managing Director and Shri Samir Mankad (DIN: 00421878) as the Whole-time Director of the Company for the period of 3 years with effect from 23rd November, 2013 and 1st April, 2014 respectively subject to the approval of members in their ensuing Annual General Meeting. Your directors propose and recommend the re-appointment of the said directors.

Shri Natwarlal Patel (DIN: 00027540) and Shri Bhalabhai Patel (DIN: 00373088), Directors of the Company, who retire by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956, are being appointed as Independent Directors at this meeting for the term of five consecutive years pursuant to the provisions of the Companies Act, 2013.

Pursuant to the provisions of the Companies Act 2013, Shri Chinubhai Shah (DIN: 00558310) and Shri Shyamal Joshi (DIN: 00005766), Directors, whose period of office are liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956 are being appointed as Independent Directors at this meeting for the term of five consecutive years.

Notices under Section 160 of the Companies Act, 2013 have been received from the members signifying their intention to propose candidature of aforesaid Directors as Independent Directors.

Necessary resolutions have been proposed for their re-appointment in the ensuing Annual General Meeting. The Board recommends their reappointment for consideration of shareholders.

7. Public Deposits:

During the year under review, the Company has not accepted any deposits from public.

8. Audit, Finance and Accounts:

As an element of Corporate Governance process, internal control continues to receive management attention by adhering to prescribed systems and policies, as well as compliance with statutory requirements.

There has been continued optimization in use of working capital and surplus funds have been prudently invested.

9. Auditors and Auditors' Report:

The statutory auditors M/s. BJS & associates, Chartered Accountants, Ahmedabad retire at ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

M/s. BJS & associates, have confirmed their eligibility for their re-appointment as Auditors under the provisions of the Companies Act, 2013.

The notes to the Accounts referred to in Auditor's Report are self explanatory and therefore do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

10. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Particulars to be given in respect of the above activity under the Companies (Disclosure of Particulars in report of Directors) Rules, 1988 are provided in the Annexure to this report.

11. Directors' Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act 1956, the Directors Confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the accounts have been prepared on going concern basis.

12. Holding Company:

M/s Komal Infotech Private Limited, Ahmedabad is the holding company of GSEC Limited. It holds 47,83,910 i.e. 63.36% shares in GSEC Limited. There is no material change in the shareholding or holding company to be reported.

13. Subsidiaries:

a) Subsidiaries at the end of the year –

1. GSEC Logistics Limited
2. GSEC Green Energy Private Limited
3. Komoline Aerospace Limited

b) Operational Highlights of Subsidiaries –

1. GSEC Logistics Limited

This company will undertake setting up of Inland Container Depot (ICD) at Ratlam, Madhya Pradesh, which will host a separate Railway Line and initial capacity to handle 3000 TEUs per month. Required land for the project and necessary approval from the Ministry of Railways has already been obtained. The Company is in process of obtaining other necessary approvals.

2. GSEC Green Energy Private Limited

GSEC Green Energy Private Limited has set up a plant to produce tyre oil from waste tyres. The products are a cheaper alternative to other fuels like furnace oil. The plant is currently running at full capacity and operations have stabilized.

3. Komoline Aerospace Limited

Komoline Aerospace Limited designs and manufactures Hydro-Meteorological Instruments, Satellite Applications and Satellite Fabrication. Its line of services extends to Embedded Projects, EMS and Chips-On-Board. The company has an in-house design, development, fabrication, and testing facility for its products. This company's core expertise lies in the manufacture of Remote Automatic Weather Stations, Agro-met Towers, MBLM-met Towers, 50-meter FLUX-met Towers, Tide Gauge Systems, and High Speed data acquisition systems. Komoline helps government organizations and several institutions to monitor the atmospheric conditions impacting climate change, energy sources, water resources, agriculture, forest cover and other vital factors that determine the environment we live in.

A statement pursuant to Section 212 of the Companies Act, 1956, in respect of the subsidiary company(ies) is annexed herewith.

14. Corporate Governance:

The Securities and Exchange Board of India (SEBI) has introduced a code of corporate governance for listed companies which is implemented through the listing Agreements with the Exchanges with which the Company is listed. Though the company's shares are not listed with any Stock Exchange, your directors have thought it advisable to follow certain aspects of corporate governance as per Clause 49 of the Listing Agreement as a good corporate practice. A report on the same is given separately.

15. Personnel:

As there are no employees drawing remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, statement under Section 217(2A) is not required.

16. Human Resource:

Human Resource continues to be the focus area for your company and it has been our endeavor to create favorable work environment for growth, enhancement of competencies and nurturing talent so as to maximize employee contribution towards the organizational objectives.

17. Acknowledgment:

Your directors are heartily thankful to all the customers and bankers of the Company for their continued trust and support to the Company. Yours directors are also thankful to the Regulatory and Government Authorities.

Your directors further places on record the contribution of employees of the Company at all levels and other business associates for their commitment, dedication and respective contribution to the Company's operations during the year under review.

For and on behalf of the Board of Directors,

Date: 6th August, 2014
Place: Ahmedabad

Rakesh Shah
Chairman & Managing Director

Samir Mankad
Whole-time Director

ANNEXURE TO THE DIRECTORS' REPORT

Annexure – I

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2014.

FORM A

Form for disclosure of particulars with respect to Conservation of energy

(A) Conservation of energy:

a) Energy conservation measures taken:

The Company has taken measures and applied strict control system to monitor day to day power consumption, as an endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy and other resources:

The Company is continuously monitoring and making efforts for optimum utilization of equipments which ensure conservation of energy during routine operations itself. There is no specific investment plan for energy conservation.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Impact of the measures mentioned here in above in point (a) and (b) certainly reduces the energy consumption and consequent impact on the cost of service provided.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure:

Furnishing of these particulars is not applicable to the Company as it is not carrying on any business which is listed in the Schedule to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(B) Technology Absorption:

The efforts made in technology absorption are mentioned below in Form-B

(C) Foreign Exchange Earnings and Outgo:

Particulars	Current year (2013-14)	Previous year (2012-13)
Earnings	₹ 25.99 Lacs	NIL
Out go	₹ 59.65 Lacs	₹ 1817.26 Lacs

FORM – B

Form for disclosure of particulars with respect to absorption

1. Research and Development (R & D):
 - (a) Specific areas in which (R & D) carried out by the Company:
The Company has not carried out R & D in any specific area .
 - (b) Benefits derived as a result of the above R & D.: N.A.
 - (c) Future plan of action:
The Company has nothing to report under this clause.
 - (d) Details of R & D Expenditure :
 1. Capital Expenditure: Nil
 2. Recurring Expenditure: Nil
 3. Total Expenditure: Nil
 4. Total R&D Expenditure as a percentage of the total turnover: Nil

2. Technology Absorption, Adaption and Innovation :
 - (a) Efforts, in brief, made towards technology absorption, adaptation and innovation:
The Company has always been making best efforts towards technology absorption, adaptation and innovation to improve the quality of service provided.
 - (b) Benefits derived as a result of the above efforts e.g. product, improvements, cost reduction, product development, import substitution etc.:
It improves the quality of services being provided by the Company.
 - (c) Details of Technology imported (During the last 5 years:):
 1. Technology Imported: N.A.
 2. Year of Import: N.A.
 3. Has technology been fully absorbed?: N.A.
 4. If not absorbed, areas where this has not taken place, reasons there for and future plan of action: N.A.

For and on behalf of the Board of Directors,

Date: 6th August, 2014
Place: Ahmedabad

Rakesh Shah
Chairman & Managing Director

Samir Mankad
Whole-time Director

Annexure II

Information regarding Subsidiary Companies pursuant to Section 212(1) (e) of the Companies Act, 1956

` in Lacs

Sr. No	Name of the Subsidiary Company	GSEC Logistics Limited	GSEC Green Energy Private Limited	Komoline Aerospace Limited
1	Financial Year of Subsidiary ended on	31st March, 2014	31st March, 2014	31st March, 2014
2	No. of Shares held by the company	50,000 Equity shares of ` 10/- each	10,000 Equity shares of ` 10/- each	95,625 Equity shares of ` 100/- each
3	Extent of Interest	100.00%	100.00%	51.00%
4	The net aggregate of Profit / (Loss) of the Subsidiary Company in so far as it concerns the members of the Holding Company.			
	Not dealt with in the accounts of the Company for the year ended 31.03.2014			
	a) For the Subsidiary's financial year ended 31st March, 2014.	1.90	(103.88)	(1.44)
	b) For the previous financial years of the Subsidiary.	9.99	(135.46)	19.80
	Dealt with in the accounts of the Company for the year ended 31.03.2014			
	a) For the Subsidiary's financial year ended 31st March, 2014.	NIL	NIL	NIL
	b) For the previous financial years of the Subsidiary.	NIL	NIL	NIL

For and on behalf of the Board of Directors,

Date: 6th August, 2014
Place: Ahmedabad

Rakesh Shah
Chairman & Managing Director

Samir Mankad
Whole-time Director

CORPORATE GOVERNANCE REPORT

The Securities and Exchange Board of India (SEBI) has introduced a code of corporate governance for listed companies which is implemented through the listing Agreements with the Exchanges with which the Company is listed. We believe Good Corporate Governance is a sine qua non for the company and hence though the company's shares are not listed with any Stock Exchange, your directors have thought it advisable to follow certain aspects of corporate governance as per Clause 49 of the listing Agreement as a good corporate practice.

1. Company's Philosophy on Code of Corporate Governance:

The Company believes that good corporate governance leads to corporate growth and long term gain in shareholders' value. The Company is committed to maintain the highest standard of corporate governance in its conducts towards shareholders, employees, customers, suppliers and other stakeholders.

Our focus on sustainable growth, productivity improvement, commitment to quality and safety in operations is unrelenting.

2. Board of Directors:

a) Composition –

The Board of directors consists of Seven Directors, of whom Shri Rakesh Shah is the Chairman and Managing Director, whereas Shri Samir Mankad and Shri Shaishav Shah are the Whole-time Directors of the Company. The composition of Board of Directors is in compliant with the requirement of Clause 49 (IA) i.e. more than 50% of Directors are non-executive Directors.

The detailed composition of the Board and other related information is given in the table below.

b) Board meetings –

The Board of Directors met five times during the Financial Year 2013-14. Board meetings were held on (1) 11-05-2013, (2) 20-07-2013, (3) 18-09-2013, (4) 28-12-2013 and (5) 22-03-2014.

The composition of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting along with the number of other directorships are given below:

Sr. No.	Names of Directors	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships in other Companies*
1	Shri Rakesh Shah	Managing Director	5	Yes	9
2	Shri Samir Mankad	Executive Director	5	Yes	2
3	Shri Shaishav Shah	Executive Director	5	Yes	8
4	Shri Chinubhai Shah	Non-executive Director	5	No	9
5	Shri Bhalabhai Patel	Non-executive Director	5	Yes	1
6	Shri Natwarlal Patel	Non-executive Director	5	Yes	11
7	Shri Shyamal Joshi	Non-executive Director	4	Yes	7

* As per the latest notices of disclosure received from the respective Directors.

The Board meets at least once a quarter.

The Board is presented with the extensive information on vital matters affecting the working of the Company and risk assessment and mitigation procedure. Among others, this includes:

1. Operating plans, capital budget and updates and reviews thereof,
2. Quarterly review of results of the company and business segments,
3. Opportunities of expansion, new projects, acquisition ,
4. Proposal for diversification, investments, disinvestments, restructuring,
5. Minutes of committee meetings.

3. Board Committees:

a) Audit Committee –

Audit Committee of Directors constituted w.e.f. 30-08-2010 as per provisions of Section 292A of Companies Act, 1956.

The Company's Audit Committee consists of four directors out of which three directors are non-executive directors. The members of the committee are Shri Shyamal Joshi, Shri Chinubhai Shah, Shri Bhalabhai Patel and Shri Samir Mankad, of whom Shri Shyamal Joshi acts as the Chairman.

The composition of Committee and the qualifications are in compliance with the requirements of Section 292A of the Companies Act, 1956.

During the year, Two Committee Meetings were held on 20-07-2013 and 22-03-2014.

Broadly, the functions of the Audit Committee are to: (i) oversee the financial reporting process, (ii) recommend the appointment of auditors, (iii) decide the audit fees, discuss the nature and scope of audit and ascertain area of concern, (iv) review the annual and half-yearly financial statements, (v) review the changes in accounting policies etc (vi) review the disclosure of related party transactions.

b) Remuneration Committee –

The Company's Remuneration Committee consists of three non-executive Directors. The members of the committee are Shri Chinubhai Shah, Shri Bhalabhai Patel and Shri Natwarlal Patel.

The scope/role of Remuneration Committee is to recommend to the Board of Directors remuneration payable to executive directors of the Company, as and when they come for review.

Details of remuneration paid to the executive directors for the year ended 31-03-2014 are as below:

Name	Position held During the period	Total Remuneration in Lacs
Shri Rakesh R. Shah	Chairman & Managing Director	36.00
Shri Samir H. Mankad	Whole-time Director	16.76
Shri Shaishav R. Shah	Whole-time Director	17.00

The Company has paid sitting fees to the Non-executive Directors during the year under review.

c) Share Transfer and Grievances Committee –

The Board of Directors of the Company has constituted Share Transfer and Grievances Committee which looks in to the matters relating to transfer of shares.

The committee consists of Shri Chinubhai Shah, Shri Rakesh Shah and Shri Samir Mankad; of whom Shri Chinubhai Shah is Chairman.

As a measure of good corporate governance and to focus on the Shareholders' request as to the transfer of shares, the committee deals with issue of approval of transfer/ transmission of shares, deletion/ transposition of names in the shares, matters relating to splitting, sub-division, consolidation of shares and to issue fresh share certificate etc. The Committee also deals with the matters relating to investor / shareholders grievances.

4. General Body Meetings:

a) Annual General Meetings –

The last three Annual General Meetings were held as under:

Financial year ended	Date	Time	Venue
31-03-2013	18-09-2013	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009
31-03-2012	24-09-2012	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009
31-03-2011	17-09-2011	11.00 a.m.	Amratlal Hargovind Das Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009

b) Extra Ordinary General Meeting (s) -

No Extra-ordinary meeting of the members of the Company held during the year under review.

5. Disclosures :

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

Apart from Accounting Standards we have also initiated a good corporate and compliance practice of following certain Secretarial Standard(s) issued by the Institute of Company Secretaries of India.

Related Party Transactions during the year have been disclosed as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. Details of related party transactions were periodically placed before the Board. These transactions are not likely to have any conflict with the Company's interest.

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risk.

Of the non-mandatory requirements relevant to the Company, training of the Board members and mechanism for evaluation non-executive Board members has not been put in place.

6. General Shareholder Information :

Date, time and venue of AGM	Monday, 15th September, 2014, at 11.00 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries Building, Ahmedabad - 380 009
Record Date	15th day of September, 2014.
Listing on Stock Exchanges	N.A.
Listing Fees	N.A.
ISIN NO.	INE825P01010
Stock Exchange's Script Code	N.A.
Dividend Payment Date	Within 30 days of AGM
Registrar and Share Transfer Agent	M/s. Sharepro Services (I) Limited Devnandan Mega Mall, Office No.416-420, 4th Floor, Opp Sanyas Ashram, Ashram Road, Ahmedabad - 380 006.

7. Dematerialization of Shares, Registrar & Transfer Agent & Share Transfer System:

a) Share Transfer System –

Transfer of shares in physical form has been delegated by the Board to certain officials of the Registrars, to facilitate speedy service to the shareholders. Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 15 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks.

b) Dematerialisation of shares –

All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depository i.e. National Securities Depository Ltd (NSDL) within 15 days.

As on 31.03.2014, 7080 equity shares of the Company are in demat form.

8. Investors Correspondence:

For any queries, requests and other correspondence, the Shareholders are requested to contact;

Registered Office	Registrar and Share Transfer Agent
GSEC Limited, 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad – 380 009. Tele: 079 – 26575757, 079 – 26585757 Fax: 079-26584040 Web: www.gsecl.co.in Mail: viral.mehta@gsecl.co.in	Sharepro Services (I) Private Limited Office No.416-420, 4th Floor, Devnandan Mega Mall, Opp Sanyas Ashram, Ashram Road, Ahmedabad - 380 006. Tele: 079 – 26 58 23 81/82/83/84 Web: www.shareproservices.com Mail: sharepro.ahmedabad@shareproservices.com

9. Secretarial Audit for Reconciliation of Capital:

The Company is not listed with any stock exchange, hence secretarial Audit for reconciliation of capital is not applicable.

For and on behalf of the Board of Directors,

Date: 6th August, 2014
Place: Ahmedabad

Rakesh Shah
Chairman & Managing Director

Samir Mankad
Whole-time Director

INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of GSEC Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003("the Order") as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (herein after referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Companies Act, 1956, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For BJS & Associates,
Chartered Accountants
Firm Registration No. 113268W

Bipin J. Shah
Partner
Membership No. 10712

Date : 6th August, 2014
Place : Ahmedabad

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Limited

(Referred to in paragraph [7] of the Independent Auditors' Report of even date to the members of GSEC Limited on the financial statement as of and for the year ended March 31, 2014.

- I. In respect of its Fixed Assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b. As explained to us, all the fixed assets are physically verified once in a year, which is considered reasonable in relation to the size of the Company. No material discrepancies were noticed on such verification.
 - c. In our opinion, the Company has not disposed off a Substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- II. In respect of its Inventories:
 - a. Physical verification has been conducted by the management at reasonable intervals.
 - b. In our opinion and according to information and explanation provided to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed of physical verification of inventories as compared to book records.
- III. In respect of the Loans, Secured or Unsecured, taken by the Company from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) According to the information and explanation given to us, the details of unsecured loan(s) granted by the Company covered in the register maintained under Section 301 of the Companies Act, 1956.

Particulars	No. of Parties	Amount ` in Lacs
Opening balance	2	872.92
Granted during the year	3	245.05
Received during the year	3	218.27
Closing Balance	2	899.70

According to the information and explanation given to us the details of unsecured loan taken from the Company covered in the register maintained under Section 301 of the Companies Act, 1956.

Particulars	No. of Parties	Amount ` in Lacs
Opening balance	4	297.06
Taken during the year	4	3543.46
Repaid during the year	4	2102.43
Closing Balance	4	1738.09

In our opinion the rate of interest and other terms and conditions on which loans have been taken from or granted to companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

- (b) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and sale of goods and services except that the internal control for trading activities is required to be strengthened.

During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control.

- V. In our opinion and according to the information and explanations given to us and based on the representation by the management, there are no transactions have been taken place which need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- VI. The Company has not accepted any deposit from the public.
- VII. The Company has appointed a firm of Chartered Accountants as its Internal Auditors for the year under review, on the basis of the reports made by the internal auditors to the management. The internal audit system is in our opinion, commensurate with the size and nature of the business of the corporation.
- VIII. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of the company.

IX. Statutory and other dues:

According to information and explanation given to us in respect of statutory and other dues:

The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Investors' Education and Protection Fund and other statutory dues with appropriate authorities during the year.

There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty and Excise Duty, Cess and other material dues in arrears as at 31st March, 2014, for a period of more than six months from the date they became payable.

Details of dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014, on account of disputes are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (` In Lacs)
Customs Act, 1962	Custom Duty	Appellate Authority up to Commissioner Level	2011-12	310.26
VAT Tax Act, Gujarat	Value Added Tax	Tribunal	2007-08 and 2008-09	862.39

- X. The Company has no accumulated losses at the end of financial year and it has not incurred cash losses in the financial year in the report.
- XI. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
- XII. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence, we have no comments to offer in respect of clause 4(xii) of the Companies (Auditor's Report) Order, 2003.
- XIII. In our opinion the company is not a Chit Fund or Nidhi mutual benefit fund/ Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report), 2003 are not applicable to the company.
- XIV. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (XIV) of the Order are not applicable to the Company.
- XV. The Company has given guarantees for loans taken by others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- XVI. The Company has not taken any term loans during the year.
- XVII. On the basis of our examination of the Balance Sheet of the Company and according to the information and explanations given to us, the Company has not used the funds borrowed on short term basis for long term investment and vice versa.

- XVIII. The Company has not made Preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act during the year. Accordingly, the provisions of Clause 4(XVIII) of the Order are not applicable to the Company.
- XIX. The Company has not issued any debenture during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(XIX) of the Order are not applicable to the Company.
- XX. The Company has not raised money by public issue during the year. Accordingly, the provisions of Clause 4(XX) of the Order are not applicable to the Company.
- XXI. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, notices or reported during the year, nor have been informed of any such case by the Management.

For BJS and Associates
Chartered Accountants
Firm Registration No. 113268W

Date : 6th August, 2014
Place : Ahmedabad

Bipin J. Shah
Partner
Membership No. 10712

Balance Sheet as at 31st March, 2014

Particulars		Note No.	` in Lacs	
			As at 31st March, 2014	As at 31st March, 2013
I.	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	1	755.00	755.00
	(b) Reserves and Surplus	2	1,513.37	1,374.49
2	Share Application Money pending allotment		-	-
3	Non-current Liabilities			
	(a) Long-term Borrowings	3	34.67	28.67
	(b) Deferred tax Liabilities (Net)		0.91	-
	(c) Other Long-term Liabilities	4	213.63	182.39
	(d) Long-term Provisions		-	-
4	Current liabilities			
	(a) Short-term Borrowings	5	2,777.93	2,215.00
	(b) Trade Payables	6	2,318.08	5,015.01
	(c) Other Current Liabilities	7	900.29	902.31
	(d) Short-term Provisions	8	96.26	84.82
	TOTAL		8,610.14	10,557.69
II.	ASSETS			
	Non-current Assets			
1	(a) Fixed Assets	9	1,376.49	1,211.91
	(i) Tangible Assets		-	-
	(ii) Intangible Assets		-	-
	(iii) Capital Work-in-progress		-	-
	(iv) Intangible Assets under development		-	-
	(b) Non-current Investments	10	444.14	418.42
	(c) Deferred tax Assets (net)		-	6.62
	(d) Long-term Loans and Advances	11	274.19	295.06
	(e) Other Non-current Assets		-	-
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	12	46.10	15.01
	(c) Trade Receivables	13	3,355.07	6,265.93
	(d) Cash and Cash Equivalents	14	969.16	797.11
	(e) Short-term Loans and Advances	15	2,141.50	1,531.72
	(f) Other Current Assets	16	3.49	15.91
	TOTAL		8,610.14	10,557.69
	Significant Accounting Policies & Other Notes on Financial Statements	22-23		

As per our attached report of even date

For and on behalf of the Board

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

Rakesh Shah
Chairman & Managing Director

Bipin Shah
Partner
Membership No. 10712

Samir Mankad
Whole-time Director

Viral Mehta
Company Secretary

Date : 6th August, 2014
Place : Ahmedabad

Date : 6th August, 2014
Place : Ahmedabad

Statement of Profit and Loss for the year ended 31st March, 2014

		` in Lacs	
Particulars	Note No.	2013-14	2012-13
I. Revenue from Operations			
Sale of Products		33,219.14	22,495.16
Sale of Services		1,871.72	1,538.94
Other Operating Revenues		7.56	6.51
II. Other Income	17	231.41	234.51
III. Total Revenue (I + II)		35,329.83	24,275.12
IV. Expenses:			
Cost of Trading Goods Sold		32,936.62	21,209.00
Changes in Inventories of Stock-in Trade	18	(31.09)	1,018.93
Employee Benefits Expense	19	214.22	197.90
Finance Costs	20	384.02	348.97
Depreciation and Amortization Expense		171.86	189.45
Other Expenses	21	1,302.70	1,016.26
Total Expenses		34,978.33	23,980.51
V. Profit before exceptional and extraordinary items and tax (III-IV)		351.50	294.61
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		351.50	294.61
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		351.50	294.61
X Tax Expense:			
(1) Current tax		(114.00)	(100.00)
(2) Deferred tax		(7.53)	11.63
(3) Short Provision For Last Years		(2.77)	(0.09)
XI Profit/(Loss) for the period from continuing operations (IX-X)		227.20	206.15
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(Loss) from Discontinuing operations (After tax) (XII-XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		227.20	206.15
XVI Earnings per equity share (in `) :		3.01	2.73
Significant Accounting Policies & Other Notes on Financial Statements	22-23		

As per our attached report of even date

For and on behalf of the Board

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

Rakesh Shah
Chairman & Managing Director

Bipin Shah
Partner
Membership No. 10712

Samir Mankad
Whole-time Director

Viral Mehta
Company Secretary

Date : 6th August, 2014
Place : Ahmedabad

Date : 6th August, 2014
Place : Ahmedabad

Cash Flow Statement for the year ended 31st March, 2014

Particulars	` in Lacs	
	2013-14	2012-13
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	351.50	294.61
Adjustments For:		
Depreciation	171.86	189.45
Misc. Dr./ Cr. written off	(2.11)	(6.83)
Bad debts written off	-	(0.87)
Provision for Doubtfull Debts written back	-	-
Provision for Diminution no longer required	-	-
Excess Provision for earlier year	(4.39)	(5.11)
Loss on sale of vehicles	1.14	-
Interest received (Corporate & IT refund - TDS)	(105.85)	(176.71)
Interest/Dividend Paid -finance cost	384.02	348.97
Dividend Received	(1.37)	(1.51)
Amount Pursuant to Scheme of Amalgamation	-	(14.73)
(Profit)/Loss on Sale of Assets	(2.48)	(0.18)
Operating Profit before working capital changes	792.33	627.09
Movements in working capital		
Adjsutment for Decrease (Increase) in opearting assets		
Trade and other Receivables	2910.86	(4751.08)
Inventories	(31.09)	1011.66
Short-term loans and advances	(609.78)	(221.17)
Other current assets	12.42	(1.76)
Adjsutment for Decrease (Increase) in opearting Liability		
Trade Payables	(2663.59)	4434.16
Other current liabilities	0.78	325.11
Taxes Paid	(106.66)	(124.89)
Net cash generated from operating activities before exceptional items	305.28	1299.12
Extraordinary item	-	-
Net cash generated from operating activities	305.28	1299.12
CASH FLOW FROM INVESTING ACTIVITIES:		
Addition to Fixed assets	(376.15)	(94.72)
Sale of fixed assets	43.97	1.96
Sale of investments (net)	-	-
Purchase of Investments	(25.72)	(68.82)
Investment in Subsidiaries	-	-
Interest received	105.85	176.71
Dividend Received	1.37	1.51
Long Term Loans & Advances	20.87	276.95
Net cash flow from investing activities	(229.81)	293.60

Cash Flow Statement for the year ended 31st March, 2014 (Contd.)

	` in Lacs	
Particulars	2013-14	2012-13
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds of Long term borrowings	6.00	(49.92)
Interest paid	(384.01)	(348.97)
Addition/ Repayment of Secured/ Unsecured Loans (Net)	562.93	(1478.15)
Dividend Paid	(88.33)	(74.96)
Issue of Share Capital & Premium Received During The Year	-	297.00
Net cash flow from financing activities	96.58	(1655.00)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the year	797.11	859.39
Cash and cash equivalents at the end of the year	969.16	797.11

As per our attached report of even date

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

Bipin Shah
Partner
Membership No. 10712

Date : 6th August, 2014
Place : Ahmedabad

For and on behalf of the Board

Rakesh Shah
Chairman & Managing Director

Samir Mankad
Whole-time Director

Viral Mehta
Company Secretary

Date : 6th August, 2014
Place : Ahmedabad

Notes on Financial Statements for the year ended 31st March, 2014

1. Share Capital

₹ in Lacs

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount	Number	Amount
Authorised Equity Shares of ₹ 10 each	10,030,000	1,003.00	10,030,000	1,003.00
Issued Equity Shares of ₹ 10 each	7,550,000	755.00	7,550,000	755.00
Subscribed & fully Paid up Equity Shares of ₹ 10 each	7,550,000	755.00	7,550,000	755.00
Total	7,550,000	755.00	7,550,000	755.00

1.1 33,00,000 shares out of the Equity Shares issued, subscribed & paid-up share capital were allotted as Bonus shares in the last five years by capitalisation of Securities Premium A/c & General Reserve.

1.2 The reconciliation of the number of shares outstanding is set out below:

₹ in Lacs

Particulars	Equity Shares			
	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,550,000.00	755.00	6,450,000.00	645.00
Shares Issued during the year	-	-	1,100,000.00	110.00
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	7,550,000.00	755.00	7,550,000.00	755.00

1.3 Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956

1.4 Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at 31st March, 2014	As at 31st March, 2013
Komal Infotech Private Limited	Holding Company	4,783,910	4,783,910

1.5 Details of Shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Limited	4,783,910	63.36	4,783,910	63.36
Priti R. Shah	1,547,670	20.50	1,547,670	20.50
Rakesh R. Shah	635,940	8.42	635,790	8.42
Shaishav R. Shah	387,270	5.13	387,270	5.13

2. Reserves & Surplus

₹ in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Securities Premium Account		
Opening Balance	337.00	150.00
Add : Securities premium credited on Share issue	-	187.00
Closing Balance	337.00	337.00
b. General Reserves		
Opening Balance	143.23	132.96
(+) Current Year Transfer	25.00	25.00
(-) Amount Pursuant to Scheme of Amalgamation	-	(14.73)
[Refer Note No.24 (v)]		
Closing Balance	168.23	143.23
c. Surplus/Deficit in statement of Profit and Loss		
Opening balance	894.26	791.40
(+) Net Profit/(Net Loss) For the current year	227.20	206.15
(-) Proposed Dividend	(75.50)	(67.36)
(-) Tax on Proposed Dividend	(12.83)	(10.93)
(-) Transfer to Reserves	(25.00)	(25.00)
Closing Balance	1,008.13	894.26
Total	1,513.37	1,374.49

Non-current Liabilities

3. Long-term Borrowings

₹ in Lacs

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured Loans				
Term loans				
Rupee Loan				
-From Banks	-	28.67	-	49.92
-From Others	34.67	-	177.47	-
(All above loans are secured against Hypothecation of Motor cars)				
	34.67	28.67	177.47	49.92
Amount disclosed under the head *Other Current Liabilities (Note - 7)			177.47	49.92
Total	34.67	28.67	177.47	49.92

Non Current Liabilities

4. Other Long Term Liabilities

` in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Payables	213.63	182.39
Total	213.63	182.39

Current Liabilities

5. Short-term Borrowings

` in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
a) Secured Loans		
Working capital facilities from UCO Bank	19.36	960.90
Working capital facilities from DCB Bank Limited	516.38	402.03
Letter of Credit Discounted	504.11	-
(Secured against hypothecation of entire Stocks/Receivables & other Current Assets of the Company (both present and future on pari passu basis with the Banks & Personal Guarantee of Directors Mr. Rakesh R. Shah, Mr. Shaishav R. Shah and their relative Mrs. Priti R. Shah)		
	1,039.84	1,362.93
b) Unsecured Loans		
(i) Loans repayable on demand		
-From Others (Metro Global Limited)	-	555.00
	-	555.00
(ii) Loans from Related parties		
Komal Infotech Private Limited	0.75	218.02
GSEC Aviation Limited	695.93	40.08
	-	-
	696.68	258.09
(iii) Deposits		
Directors' Deposit	1,041.41	38.97
	1,738.09	852.06
Total	2,777.93	2,215.00

Current Liabilities

6. Trade Payables

₹ in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Payables	2,318.08	5,015.01
Total	2,318.08	5,015.01

Current Liabilities

7. Other Current Liabilities

₹ in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Current maturities of long-term debt	177.47	49.92
(b) Unclaimed dividends	3.68	3.06
(c) Creditors for Capital Expenditure	7.00	3.66
(i) Other payables (specify nature)		
a) Statutory Dues Payables	34.96	68.65
b) Trade/Security Deposit	1.89	18.14
c) Advance from Customers	505.19	585.18
d) Provision for bonus	5.69	6.65
e) Other Liabilities	164.41	167.05
Total	900.29	902.31

Current Liabilities

8. Short-term Provisions

₹ in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Provision for employee benefits		
Leave Encashment (Unfunded)	7.93	6.53
	7.93	6.53
(b) Others		
Proposed Dividend	75.50	67.36
Tax on Proposed Dividend	12.83	10.93
	88.33	78.29
Total	96.26	84.82

9. Fixed Assets

₹ in Lacs

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2013	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2014	Balance as at April 1, 2013	Depreciation charge for the year	On disposals	Balance as at March 31, 2014	Balance as at March , 2014	Balance as at March , 2013
a.Tangible Assets (Not Under Lease)										
Land	20.93	-	-	20.93	-	-	-	0.00	20.93	20.93
Buildings	609.70	133.66	-	743.36	99.67	25.91	-	125.58	617.78	510.03
Plant and Equipment	181.28	-	-	181.28	81.04	13.94	-	94.99	86.30	100.23
Furniture and Fixtures	234.48	61.42	-	295.90	116.57	24.20	-	140.77	155.13	117.66
Vehicles	440.51	99.22	95.18	444.55	213.40	63.74	52.55	224.59	219.96	225.91
Office Equipment	317.57	67.34	-	384.91	116.16	32.58	-	148.74	236.17	200.35
Computers	78.68	6.46	-	85.13	61.13	8.00	-	69.14	16.00	17.14
A.C Machines & Plant	33.13	8.06	-	41.19	13.47	3.49	-	16.96	24.23	19.66
Total (I)	1,916.28	376.15	95.18	2,197.25	*701.44	171.86	52.55	820.75	1,376.49	1,211.91
b.Capital Work In Progress										
Building under construction	-	-	-	-	-	-	-	-	-	-
Total (II)	-	-	-	-	-	-	-	-	-	-
Total (I+II)	1,916.28	376.15	95.18	2,197.25	*701.44	171.86	52.55	820.75	1,376.49	1,211.91
Previous Year's Details	1,805.52	114.26	3.48	1,916.32	516.64	189.45	1.69	704.41	1,211.91	1,308.43

* After debiting excess depreciation provided in 2012-13 ₹ 2.97 Lacs on various assets.

10. Non-current Investments

₹ in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Investments		
In Equity Shares of Subsidiary Companies - Unquoted, fully paid-up		
50,000 Equity Shares of GSEC Logistics Limited of ₹ 10 each (P.Y. 50,000 Shares)	5.00	5.00
95,625 Equity Shares of Komoline Aerospace Limited of ₹ 100 each (P.Y. 95625 Shares)	294.33	294.33
10,000 Equity Shares of GSEC Green Energy Private Limited of ₹ 10 each (P.Y. 10000 Shares)	1.00	1.00
	300.33	300.33
Other Investments		
Investment in Equity Instruments- Quoted Investments		
28,925 Equity Shares fully paid up of ₹ 1 each of Adani Enterprises Limited (P.Y.28,925 Shares)	83.93	83.93
500 Equity Shares fully paid up of ₹ 10 each of Reliance Industries Limited (P.Y. 500 Shares)	3.88	3.88
5,750 Equity Shares fully paid up of ₹ 10 each of Tata Steel Limited (P.Y. 5,750 Shares)	24.81	24.81
13700 Equity Shares fully paid up of ₹ 1 each of Enrich Industries Limited (P.Y. 13700 Shares)	0.69	0.69
250 Equity Shares fully paid up of ₹ 10 each of GNFC Limited (P.Y. 250 Shares)	0.05	0.05
100 Equity Shares fully paid up of ₹ 1 each of PAN India Corporation Limited (P.Y.100 Shares)	0.01	0.01
5 Equity Shares fully paid up of ₹ 1 each of Pentamedia Graphics Limited (P.Y. 5 Shares)	-	-
Un-quoted Investments		
667 Equity Shares of GITCO of ₹ 100 each (P.Y. 667 Shares)	0.67	0.67
Investments in Government Securities-Unquoted		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.10
7 Years National Savings Certificates (Deposited with Governer of Karwar)	0.20	0.20
15000 Equity Shares of Kalupur Commercial Co.Op. Bank Limited of ₹ 25 each (P.Y. 15000 Shares)	3.75	3.75
	118.08	118.08
Investment in Property		
Block D12 - Silver Arc Apartment - Ahmedabad	25.72	-
Total	444.14	418.42

Non-current Assets
11. Long Term Loans & Advances
(Unsecured and Considered Good)

₹ in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Capital Advance	25.00	25.00
Deposit and Balance with Government Authorities	4.11	4.11
Deposit with Others	68.06	81.42
Advance Income Tax (Net of Provisions)	82.14	87.62
Other Loans and Advances	94.88	96.91
Total	274.19	295.06

Current Assets
12. Inventories

₹ in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trading Goods	46.10	15.01
Total	46.10	15.01

Current Assets
13. Trade Receivables

₹ in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured- Considered good Outstanding for period exceeding six months	916.70	811.37
Other Receivables	2,438.38	5,454.56
	3,355.07	6,265.93
Total	3,355.07	6,265.93

Current Assets
14. Cash & Cash Equivalents

₹ in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Balances with banks		
- In Current Accounts	394.11	300.85
- In Fixed Deposit Accounts (Margin Money against Bank Guarantee)	567.69	488.46
-Unpaid Dividend Accounts	3.65	3.06
b. Cash on hand	3.70	4.74
Total	969.16	797.11

Current Assets

15. Short-term Loans and Advances
(Unsecured and Considered Good)

₹ in Lacs

Short term loans and Advances	As at 31st March, 2014	As at 31st March, 2013
Loan and advances to related parties Unsecured, considered good	900.07	873.23
Loans to Employees (Unsecured, considered good)	5.01	1.94
Prepaid Expenses (Unsecured, considered good)	44.72	38.63
Balances with Statutory/Government Authorities (Unsecured, considered good)		
CENVAT Credit Receivable	7.35	0.19
Service Tax Credit Receivable	62.73	23.16
Sales Tax Credit Receivable	44.65	20.83
Entry Tax	4.34	3.45
Inter Corporate deposits (Unsecured, considered good) - Anil Dye Chem Industries Private Limited	900.00	300.00
	1068.81	388.20
Other Loans and Advances (Unsecured, including advance to Suppliers) Unsecured , Considered Good	172.61	270.29
Doubtful	-	-
Provision for Doubtful Advances	-	-
	172.61	270.29
Total	2141.50	1531.72

Current Assets

16. Other Current Assets

₹ in Lacs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest accrued on Inter Corporate Deposits	0.15	0.15
Interest accrued on FDR	2.73	15.15
Investment in Silver Coins	0.61	0.61
Total	3.49	15.91

17. Other Income

` in Lacs

Particulars	2013-14	2012-13
Interest Income	105.85	176.71
Dividend Income	1.37	1.51
Profit on Sale of Fixed Assets	2.48	0.18
Other Non-operating income	3.29	160.49
Foreign Exchange Difference	21.57	-126.75
Excess Provision for Earlier Year	4.39	5.11
Export Incentives	0.00	6.09
Duty Drawback	59.89	0.00
Misc. Income	30.45	0.00
Misc./Dr./Cr. Balance Written Back	2.11	6.83
Bad Debts Recovered	-	3.70
Kasar/Discount	0.01	0.65
Total	231.41	234.51

18. Change in Inventories of Finished Goods

` in Lacs

Particulars	2013-14	2012-13
Inventories (at close)		
Finished goods / Stock in trade	46.10	15.01
Inventories(at commencement)		
Finished goods / Stock in trade	15.01	1,033.94
Total	(31.09)	1,018.93

19. Employee Benefits Expense

` in Lacs

Particulars	2013-14	2012-13
(a) Salaries and incentives	187.40	173.41
(b) Contributions to -		
"(i) Provident and other fund(ii) Superannuation scheme"	9.79	8.67
(c) Gratuity fund contributions	0.30	2.55
(d) Staff welfare expenses	16.73	13.27
Total	214.22	197.90

20. Finance Costs

` in Lacs

Particulars	2013-14	2012-13
Interest Expense	257.55	282.20
Bank Charges	65.90	64.15
Other Borrowing Costs	60.57	2.62
Total	384.02	348.97

21. Other Expenses

in Lacs

Particulars	2013-14	2012-13
Rent and License Fees	130.03	115.24
Rent - Guest House	2.48	1.81
Lease Rent - Guest House Land	5.00	-
Rates and Taxes	3.31	2.85
Insurance	39.66	18.87
Employer/Employee Insurance	84.14	74.13
Electricity	40.89	40.85
Stationery and Printing	17.60	7.69
Postage and Telephone	13.52	13.45
Repairs and Maintenance and Renovation to Building	85.66	75.22
Auditors Remuneration	1.01	1.03
Fees and Legal Expenses	26.87	43.64
Vehicle Expenses	26.78	15.77
Conveyance	1.39	1.17
Advertisement and Publicity Expenses	13.42	36.60
Travelling Expenses	89.17	88.59
Guest House Expenses	2.30	2.31
Miscellaneous Expenses	43.76	47.93
Director fees and travelling expenses	0.91	0.79
Sales Promotion Expenses	15.58	1.39
Directors' Remuneration	69.76	60.77
Security Expenses	37.99	27.53
Royalty	241.58	198.75
Packing Materials	45.50	3.16
Donation	2.30	0.98
Bad Debts Written Off	-	2.83
Computer Repairing Expenses & Hardware Expenses	5.21	2.08
Loss on 4% SAD Receivable	-	0.50
Commission and Agency Commssion	41.75	82.06
Deputation Charges to Custom Department	37.33	31.81
Website Development and Maintenance Charges	150.00	-
Cargo Handling Expenses	3.31	2.01
Detaintion/Holatage Charges	-	0.07
Loss on Sale of Vehicles	1.14	-
Discount/Rate Difference Expenses	22.50	11.57
Bunker Expenses	-	0.12
Sample Test	-	0.11
Inspection/Surveyor Charges	-	2.57
Prior Period Expenses	0.86	-
Total	1,302.70	1,016.25

22. Significant Accounting Policies:

1. Basis for preparations of financial statements:

The accounts have been prepared under the historical cost convention to comply in all materials aspects with generally accepted accounting principles.

2. Method of Accounting:

The books of accounts are maintained on accrual basis except income from Demurrage and Handling Charges on uncleared cargo at Air Cargo Complex, which are accounted on Cash Basis.

3. Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction. Cost includes taxes, duties and other identifiable direct expenses.

4. Depreciation:

(a) Depreciation on fixed assets have been charged on the written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

(b) Depreciation is provided on pro-rata basis from the date of addition to fixed assets during the year.

(c) Depreciation on assets sold / discarded etc. has been provided on pro-rata basis up to the date of sale/discard.

5. Investments:

Long term investment is stated at Cost of Acquisition. Provision for diminution in the value of Long Term Investment is made only if such decline is other than temporary. Current Investments are carried at the lower of Cost and Quoted / Fair value.

6. Inventories:

Inventories are valued at cost or market value whichever is lower.

7. Sales:

Revenue from Sale of Products is recognized on dispatch or appropriation of goods in accordance with the terms of sales and its exclusive of VAT Tax and other duties and charges.

8. Taxes on income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized on timing difference, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset is recognized only to that extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realized. The carrying amount of deferred tax is reviewed at each balance sheet date.

9. Foreign Currency Transaction:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions. Transactions outstanding at the year-end are translated at exchange rates prevailing at the year-end and the profit/loss so determined and also the realized exchange gains/losses are recognized in the Statement of Profit and Loss.

10. Retirement Benefits:

Gratuity which is defined benefits is accrued based on actuarial valuation as at Balance Sheet date. The present value of the obligation is determined using the Projected Unit Credit method. The company has taken a policy under Group Gratuity Scheme of the Life Insurance Corporation of India.

Leave Encashment Salary which is defined benefit is accrued and provided for based on actuarial valuation as at Balance Sheet date at the end of the financial year.

Retirement benefits in the form of provident fund whether in pursuance of law or otherwise which is defined contribution scheme is accounted on the accrual basis and charged to profit and loss account.

23. Other Notes forming part of accounts:

(i) Disclosure pursuant to Note no. 5(i)(j) of Part II of Schedule VI to the Companies Act, 1956:

Particulars	` in Lacs	
	2013-14	2012-13
a. To Auditors	1.01	1.02
b. For taxation matters	-	-
c. Certification (Included in Fees and Legal Expenses)	0.03	0.06
Total	1.04	1.08

(ii) Salaries and wages of ` 69.76 Lacs (Previous Year ` 60.76 Lacs) being the remuneration to Executive Directors of the Company. The said remuneration is not in excess of the limits laid down u/s 198 read with Schedule XIII of the Companies Act, 1956.

(iii) Balance of debtors, creditors, loans and advances are subject to confirmation by the parties concerned and adjustment, if any.

(iv) Contingent Liabilities not provided for:

- a. Claims against the company not acknowledged as debt of ` 22.86 Lacs (Previous Year ` 22.86 Lacs)
- b. Bank Guarantee issued to Customs Department - Ahmedabad of ` 1635.00 Lacs (Previous Year ` 1135.00 Lacs)
- c. Higher demand of ` 34.76 Lacs including Interest for non-payment of the demand raised by The Airport Director, Indore for Hanger Rent for the period from 01.04.2008 to 20.06.2013, as the Company has sought to reverse this amount on the basis of similar earlier reversal. The agreement for renewal of air cargo complex license which was due on 23.11.2011 is also not executed, pending Resolution of this dispute. However the work at Air Cargo Complex - Indore continues and Company has deposited ` 35 Lacs during the year under protest.
- d. Demand by Brink's Australia Pvt. Limited for compensation of US\$ 4,85,262 for the loss due to theft for one cargo parcel of 10 k.g. gold. As the company has coverage with the insurance company, it may liable to pay the difference of the claim settled with Brink's Australia Pvt. Limited and the claim to be received from the insurance company. As the amount is not ascertained, the provision is not made.
- e. Demand raised by Directorate of revenue intelligence for short payment of Custom Duty for Import of Bitumen at various ports of ` 310.26 Lacs. As the custom department has adopted the value declared for imports is lower than the market value. The company has objected the above demand raised in show cause notice, hence no provision has been made in the books of accounts.
- f. Demand raised by, The Asst. Commissioner of Commercial Tax, Flying Squad - Ahmedabad of ` 887.39 Lacs for not allowing input credit of VAT on the purchases of Drinking Water Plant/Water Treatment Plant for the year 2007-08 and 2008-09, as the supplier from whom the purchases have been made have not paid the VAT tax collected from the company. As the company has preferred an appeal before higher authorities no provision in the account have been made. However, during the year the Company has deposited ` 25.00 Lacs under protest.
- g. The Deputy Commissioner (Audit) of Service Tax Department while issuing Final Audit Report for the year 2009-10 to 2011-12 has objected for non-payment of Service Tax of ` 29.26 Lacs on rendering exempted services on Cold Storage activities. He has further objected for wrongly availment of CENVAT credit on Construction Services of ` 9.65 Lacs. As the Company has not accepted the objection of Deputy Commissioner (Audit). No provision in the books of Accounts has been made. However Company has deposited ` 14.07 Lacs under protest.

(v) Disclosures pursuant to Accounting Standard (AS) 15 (Revised):

Employees Benefits:

Defined Benefits Plans as per Actuarial Valuation on March 31, 2014.

		` in Lacs			
Sr.No.	Particulars	Gratuity		Leave Encashment	
		31-3-2014	31-3-2013	31-3-2014	31-3-2013
1.	The amounts recognized in the Balance Sheet as at the end of the year				
	• Present Value of Funded Obligation	34.10	31.80	-	-
	• Fair Value of Plan Assets	41.72	37.97	-	-
	• Present Value of Unfunded Obligation	-	-	7.93	6.53
	• Net Assets/(liability)	6.61	6.17	7.93	6.53
2.	The amounts recognized in Profit and Loss Account for the year				
	• Current Service Cost	3.78	3.79	0.98	1.65
	• Interest Cost	2.62	2.93	0.54	0.92
	• Expected Return on Plan Assets	(3.30)	(3.68)	0.90	(6.83)
	• Actuarial (Gains)/Losses	(3.42)	(0.45)	-	-
	• Actual Return on Plan Assets	-	-	-	-
	Total Expenses	(0.32)	2.60	-	-
3.	The Changes in Obligations during the year				
	• Present value of Defined benefit Obligation at the beginning of the year	31.80	34.52	6.53	10.79
	• Current Service Cost	3.78	3.79	0.98	1.65
	• Interest Cost	2.62	2.93	0.54	0.92
	• Actuarial (Gains)/Losses	(3.44)	(0.46)	0.90	(6.83)
	• Benefit Payments	(0.65)	(8.98)	(1.02)	-
	• Present value of Defined Benefit Obligation at the end of the year	34.10	31.80	7.93	6.53
4.	The changes in Plan Assets during the year				
	• Plan Assets at the beginning of the year	37.97	43.24	-	-
	• Actuarial gains and (losses)	(0.02)	(0.01)	-	-
	• Contribution by Employer	0.11	0.05	-	-
	• Actual Benefit Paid	(0.65)	(8.98)	-	-
	• Plan assets at the end of the year	40.72	37.97	-	-
	• Actual return on Plan Assets	3.30	3.67	-	-

Sr. No.	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
5.	Actuarial Assumption :		
	Discount Rate	9.33%	9.33%
	Turnover Rate		
	Mortality		
	Salary Escalation Rate	7%	7%
	Retirement age	58 Years	58 Years

(vi) Related Party Disclosure:

As per Accounting Standard 18(AS-18) Related Party disclosure issued by ICAI the disclosure of transaction with related parties as defined in AS-18 are given below

A. List of Related Parties & Relationship

Name of Related Party	Relationship
Komal Infotech Private Limited	Holding Company
GSEC Logistics Limited	Subsidiary Company
GSEC Green Energy Private Limited	Subsidiary Company
Komoline Aerospace Limited	Subsidiary Company
Kalpavruksha Estate & Finance Private Limited	Associate Company
Prerak Capital Services Private Limited	Associate Company
Komal Infraventures Private Limited	Associate Company
GSEC Aviation Limited	Sister Company
GSEC Infrastructure Private Limited	Associate Company
Vishwa Imports LLP	Associate LLP
Priti R. Shah	Relative of Director
Key Management Personnel	
(i) Rakesh R. Shah	
(ii) Shaishav R. Shah	
(iii) Samir H. Mankad	

B. Transaction during the year with related Parties (Excluding Reimbursement)

in Lacs

Nature of Transaction	Holding Company	Subsidiaries			Associates	Relative of Director	Key Management Personnel		
		GSEC Logistics Ltd	GSEC Green Energy Pvt. Limited	Komoline Aerospace Limited			GSEC Aviation Limited	Priti R. Shah	Rakesh R. Shah
Rent Paid	-	-	-	-	-	5.00	-	2.43	-
Interest Paid	6.08	-	-	-	3.26	-	3.43	1.89	-
Interest Received	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	36.00	17.08	16.68
Reimbursement of Construction Cost at Indore Guest House	-	-	-	-	-	65.00	-	-	-
Advance Outstanding	(0.75)	429.66	470.04	-	(695.93)	-	(943.38)	(98.03)	-
Loan Taken	223.00	-	-	-	1615.34	-	1336.50	355.43	-
Loan Granted	-	150.32	74.46	20.27	-	-	-	-	-
Loan Repaid	445.73	-	-	-	962.42	-	406.29	287.99	-
Loan Repaid by	-	102.00	96.00	20.27	-	-	-	-	-

- (ix) The Net Deferred Tax (Liabilities)/Assets as on March 31, 2014 amounting to ₹ (0.91) Lacs (2012-13 - ₹ 6.62 Lacs) has been arrived at as follows:

	₹ in Lacs	
Deferred Tax Assets arising from:	2013-14	2012-13
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years	-	-
Depreciation	(1.06)	4.46
Gratuity & Leave Encashment	0.46	-
Bonus Provision	(0.31)	2.16
Net deferred Tax Assets/(Liability)	(0.91)	6.62

The tax impact for the above purpose has been arrived by applying a tax Rate of 32.445% being the prevailing tax rate for Indian companies under the Income Tax Act, 1961. Based on the management's estimate; the company would have sufficient Taxable Income in future to utilize credit available under the Income Tax Act, 1961.

- (x) Earning Per Share (E.P.S.)

	₹ in Lacs	
Particulars	2013-14	2012-13
Net Profit (Loss) after Tax	227.20	206.15
Number of Equity Shares	7550000	75,50,000
Nominal Value of Equity Share (₹)	10.00	10.00
Basic & Diluted Earning Per Share (₹)	3.01	2.73

- (xi) Other information required in terms of Para 4-C and 4-D of Part-II of Schedule VI to the Companies Act, 1956.

	₹ in Lacs	
Particulars	2013-14	2012-13
a. C.I.F. value of imports of:		
Trading Goods	-	1744.39
Spare parts		
Capital Goods	23.73	22.98
d. Expenditure in Foreign Currency:	35.92	49.89
on Foreign Travel		
e. Expenditure in Foreign Currency:	-	-
on purchase of capital items		
f. Consumption of:		
i. Raw Materials	-	-
ii. Store and Spares Parts	-	-
g. Remittance in Foreign Currency		
On accounts of Agency Commission	-	-
h. Earning in Foreign Exchange	25.99	-
(FOB) Value of Goods Exported)		

24. Segment Information:

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS - 17) as notified by Companies Accounting Standards Rules, 2008, the company's primary business segments are Airport Service and Trading Activities which have got their own respective risk and return profiles.

Financial Information about the Primary Business Segment for the year ended 31st March, 2014

^ In Lacs

	Cargo Handling Service		Trading Activities		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
A. Revenue						
Services/Sales Revenue	1871.72	1538.94	33226.70	22501.97	35098.42	24040.91
Intersegment Revenue	-	-	-	-	-	-
Total Revenue	1871.72	1538.94	33226.70	22501.97	35098.42	24040.91
B. Result						
Segment Result Profit/Loss	1721.72	1538.94	471.17	273.74	2192.89	1812.68
Other Income excluding Interest Income	-	-	-	-	125.56	57.80
Other Unallocable Expenses	-	-	-	-	1688.78	1403.61
Operating Profit	-	-	-	-	629.67	466.87
Interest Income	-	-	-	-	105.85	176.71
Interest Expenses	-	-	-	-	384.02	348.97
Profit Before Tax	-	-	-	-	351.50	294.61
Provision For Income Tax (including Deferred Tax)	-	-	-	-	(124.30)	88.46
Net Profit	-	-	-	-	227.20	206.15
C. Other Information						
Capital Employed	-	-	-	-	-	-
Segment Assets	1672.61	4413.49	6493.39	5725.78	8166.00	10139.27
Segment Liabilities	115.04	92.63	3413.22	6091.90	3528.26	6184.53
Other Unallocable Corporate Assets and Liabilities	-	-	-	-	-	418.42
Total Capital Employed	-	-	-	-	4637.74	4373.16
Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	262.42	103.00	113.74	11.26	376.16	114.26
Other Unallocable Capital Expenditures	-	-	-	-	-	-
Total	262.42	103.00	113.74	11.26	376.16	114.26
D. Segment Depreciation	103.77	100.82	68.09	88.63	171.86	189.45
E. Non Cash Expenses other than Depreciation	-	-	-	-	-	2.83

25. As per the requirement of Schedule VI of the Companies Act, 1956, the amounts of financial statements have been rounded off to the nearest Lacs of Rupees. Hence, the differences in total and sub-total of some items are inevitable.

As per our attached report of even date

For and on behalf of the Board

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

Rakesh Shah
Chairman & Managing Director

Bipin Shah
Partner
Membership No. 10712

Samir Mankad
Whole-time Director

Viral Mehta
Company Secretary

Date : 6th August, 2014
Place : Ahmedabad

Date : 6th August, 2014
Place : Ahmedabad



GSEC
LOGISTICS LIMITED

GSEC Logistics Limited



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DIRECTORS' REPORT

To,

The Members,

Your Directors present herewith the 8th Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2014.

1. Financial Results:

During the fiscal year, your Company has earned other income amounting to ₹ 3 Lacs (Previous Year ₹ 1556.01 Lacs) and incurred total expenses of ₹ 0.25 Lacs (Previous Year ₹ 1528.52 Lacs). Net Profit of the Company during the year has been recorded at ₹ 1.89 Lacs (Previous Year ₹ 18.98 Lacs).

2. Dividend:

Looking to the future development and requirement of funds, your Directors do not recommend any Dividend for the year under review.

3. Deposits:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 during the year under review.

4. Directors:

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Shri Rakesh Shah, Director of the Company, shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

5. Directors Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- (1) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- (2) appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the year;
- (3) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;
- (4) the accounts have been prepared on going concern basis.

6. Employee:

As there are no employees drawing remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, from time to time, statement under Section 217(2A) is not required.

7. Auditors:

M/s. BJS & Associates, Chartered Accountants, Ahmedabad, the Auditors of the company, retire at the ensuing Annual General Meeting and they, being eligible, offers themselves for re-appointment. The Members are requested to appoint auditors for the current year and fix their remuneration.

8. Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo:

Since the Company has not commenced commercial activities, details regarding conservation etc. are not furnished. The Company has no foreign exchange earnings and outgo during the period under review.

9. Acknowledgment:

The Board takes this opportunity to express its appreciation of the valuable support received from M/s. GSEC Limited. Your directors further acknowledge with deep sense of gratitude for the continued support extended by all concerned.

For and on behalf of the Board of Directors,

Date: 4th August, 2014
Place: Ahmedabad

Rakesh Shah
Director

Samir Mankad
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Logistics Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of GSEC Logistics Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act (herein after referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.
-

For BJS and Associates
Chartered Accountants
Firm Registration No. 113268W

Bipin J. Shah
Partner
Membership No. 10712

Date : 4th August, 2014
Place : Ahmedabad

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

To,
The Members,
GSEC Logistics Limited,
(Referred to in paragraph 8 of our report of even date on the accounts for the year ended 31st March, 2014 of GSEC Logistics Limited, Ahmedabad.)

- I. In respect of its Fixed Assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - As explained to us, all the fixed assets are physically verified once in a year, which is considered reasonable in relation to the size of the Company. No material discrepancies were noticed on such verification.
 - In our opinion, the company has not disposed off a substantial part of fixed assets during the year and the going concern status of the company is not affected.
- II. In respect of its Inventories:
- Physical verification has been conducted by the management at reasonable intervals.
 - In our opinion and according to information and explanation provided to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed of physical verification of inventories as compared to book records.
- III. In respect of the Loans, secured or unsecured taken by the company from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
- According to the information and explanation given to us the details of unsecured loan / advances taken by the company covered in the register maintained under Section 301 of the Companies Act, 1956.

Particulars	No of parties	Amount (₹ in Thousand)
Opening balance	1	38133.38
Taken during the year	1	15032.32
Repaid during the year	1	10200.00
Closing Balance	1	42965.70

In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the company.

- The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and sale of goods and services except that the internal control for trading activities is required to be strengthened.

During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control.

- V. In our opinion and according to the information and explanations given to us and based on the representation by the management, transaction that needs to be entered in the register maintained under Sections 301 of the Companies Act, 1956 have been so entered.

- VI. The company has not accepted any deposit from the public.
- VII. This being not a listed Company and the turnover in the preceding financial year has not exceeded ₹ 5 Crore, the internal audit System is not obligatory.
- VIII. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 in respect of the company.
- IX. Statutory and other dues:
According to information and explanation given to us in respect of statutory and other dues, the company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, service tax, investors' education and protection fund and other statutory dues with appropriate authorities during the year.
- X. The Company has accumulated losses at the end of previous financial year but it has earned Cash Profit in Current financial year covered by the audit.
- XI. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to banks.
- XII. According to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence, we have no comments to offer in respect of clause 4(xii) of the Companies (Auditor's Report) Order, 2003.
- XIII. In our opinion the company is not a Chit Fund or Nidhi mutual benefit fund/ Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report), 2003 are not applicable to the company.
- XIV. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the company in its own name.
- XV. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions and hence we have no comments to offer in respect of clause 4(xv) of the Companies (Auditor's Report) Order, 2003.
- XVI. The Company has not taken any term loans during the year.
- XVII. On the basis of our examination of the Balance Sheet of the company and according to the information and explanations given to us, the company has not used the funds borrowed on short term basis for long term investment and vice versa.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly we have no comments to give on clauses 4 of (xviii) of the Companies (Auditor's report) Order, 2003.
- XIX. The Company has not issued any debenture during the year.
- XX. The Company has not raised money by public issue.
- XXI. To the best of our knowledge and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For BJS and Associates
Chartered Accountants
Firm Registration No. 113268W

Bipin J. Shah
Partner
Membership No. 10712

Date : 4th August, 2014
Place : Ahmedabad

Balance Sheet as at 31st March, 2014

in Thousands

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	500.00	500.00
(b) Reserves and Surplus	2	1,189.01	999.17
(c) Money Received against Share Warrants		-	-
2 Share Application Money pending allotment			-
3 Non-current Liabilities			
(a) Long-term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-term Liabilities		-	-
(d) Long-term Provisions		-	-
4 Current liabilities			
(a) Short-term Borrowings	3	42,965.70	38,133.38
(b) Trade Payables		-	-
(c) Other Current Liabilities	4	-	15,028.64
(d) Short-term Provisions		-	-
TOTAL		44,654.71	54,661.19
II. ASSETS			
Non-current assets			
1 (a) Fixed Assets	5		
(i) Tangible Assets		35318.29	35,327.58
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets under Development		-	-
(b) Long-term Loans and Advances	6	8,911.15	8,996.16
2 Current assets			
(a) Cash and Cash Equivalents	7	325.27	9,909.95
(b) Other Current Assets	8	100.00	457.50
TOTAL		44,654.71	54,661.19
Significant Accounting Policies & Other Notes on Financial Statements	13		

As per our attached report of even date

 For BJS & Associates
 Chartered Accountants
 Firm Registration No. 113268W

 Bipin Shah
 Partner
 Membership No. 10712

 Date : 4th August, 2014
 Place : Ahmedabad

For and on behalf of the Board

 Rakesh Shah
 Director

 Samir Mankad
 Director

 Date : 4th August, 2014
 Place : Ahmedabad

Statement of Profit and Loss for the year ended 31st March, 2014

` in Thousands

Particulars	Note No.	2013-14	2012-13
I. Revenue From Operations		-	-
II. Other Income	9	300.00	155,600.89
III. Total Revenue (I + II)		300.00	155,600.89
IV. Expenses:		-	-
Finance Costs	10	0.08	152,763.13
Depreciation and Amortization Expense		9.29	12.54
Other Expenses	11	15.78	76.85
Total Expenses		25.16	152,852.52
V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)		274.84	2,748.37
VI. Exceptional Items		-	-
VII. Profit before Extraordinary Items and Tax (V - VI)		274.84	2,748.37
VIII. Extraordinary Items		-	-
IX. Profit before Tax (VII- VIII)		274.84	2,748.37
X Tax expense:			
(1) Current Tax		85.00	850.00
(2) Deferred Tax		-	-
XI Profit (Loss) for the period from continuing operations (IX-X)		189.84	1,898.37
XII Profit/(Loss) from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
XIV Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)		-	-
XV Profit (Loss) for the Period (XI + XIV)		189.84	1,898.37
XVI Earnings per Equity Share :			
Basic & Diluted (In `)		3.80	37.97
Significant Accounting Policies & Other Notes on Financial Statements	13		

As per our attached report of even date

For and on behalf of the Board

For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

Rakesh Shah
Director

Bipin Shah
Partner
Membership No. 10712

Samir Mankad
Director

Date : 4th August, 2014
Place : Ahmedabad

Date : 4th August, 2014
Place : Ahmedabad

Notes on Financial Statements for the year ended 31st March, 2014

1. Share Capital

₹ in Thousands

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10 each	50,000.00	500.00	50,000.00	500.00
Issued				
Equity Shares of ₹ 10 each	50,000.00	500.00	50,000.00	500.00
Subscribed & fully Paid up				
Equity Shares of ₹ 10 each	50,000.00	500.00	50,000.00	500.00
Subscribed but not fully Paid up				
Equity Shares of ₹ 10 each, not fully paid up	-	-	-	-
Total	50,000.00	500.00	50,000.00	500.00

1.2 The reconciliation of the number of shares outstanding is set out below:

₹ in Thousands

Particulars	Equity Shares			
	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	50,000	500.00	50,000	500.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	50,000	500.00	50,000	500.00

1.3 Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at 31st March, 2014	As at 31st March, 2013
GSEC Limited and its Nominee(s)	Holding Company	50,000	50,000

1.4 Details of Shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
GSEC Limited and its Nominee(s)	50,000	100.00	50,000	100.00

2. Reserves & Surplus

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Profit & Loss A/C (Surplus)		
Opening balance	999.17	(899.20)
(+) Net Profit/(Net Loss) For the current year	189.84	1,898.37
Closing Balance	1,189.01	999.17
Total	1,189.01	999.17

3. Short-term Borrowings

(Unsecured and Considered Good)

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Loans and Advances from related parties	42,965.70	38,133.38
Total	42,965.70	38,133.38

4. Other Current Liabilities

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
(I) Other payables (specify nature)		
a) Statutory Dues Payables	-	15,028.64
Total	-	15,028.64

5. Fixed Assets

₹ in Thousands

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at 1 April 2013	Additions/ (Disposals)	Acquired through business	Revaluations/ (Impairments)	Balance as at 31 March 2014	Balance as at 1 April 2014	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
Tangible Assets												
Land	35,291.68	-	-	-	35,291.68	-	-	-	-	-	35,291.68	35,291.68
Vehicles	49.60	-	-	-	49.60	13.70	9.29	-	-	23.00	26.61	35.90
Total	35,341.28	-	-	-	35,341.28	13.70	9.29	-	-	23.00	35,318.29	35,327.58
Previous Year's Details	34,973.70	367.58	-	-	35,341.28	1.16	12.54	-	-	13.70	35,327.58	34,972.54

6. Long Term Loans & Advances
 (Unsecured and Considered Good)

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Capital Advances	1,916.00	1,916.00
Advance Income tax (Net of Provision)	6,995.15	7,050.16
Other Loans & Advances	-	-
Total	8,911.15	8,966.16

7. Cash and Cash equivalents

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Balances with banks	324.03	9,908.71
Cash on hand*	1.24	1.24
Total	325.27	9,909.95

8. Other Current Assets

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest Income due from Related Parties	-	357.50
Rent income	100.00	100.00
Total	100.00	457.50

9. Other Income

` in Thousands

Particulars	2013-14	2012-13
Interest Income	-	155,300.89
Dividend Income	-	-
Net Gain/Loss on Sale of Investments	-	-
Other Non-operating Income	-	-
Rent Income	300.00	300.00
Total	300.00	155,600.89

10. Finance Costs

₹ in Thousands

Particulars	2013-14	2012-13
Interest expense	-	152,761.47
Bank Charges	0.08	1.65
Total	0.08	152,763.12

11. Other Expenses

₹ in Thousands

Particulars	2013-14	2012-13
Audit Fees	5.62	5.62
Filing Fees	3.60	1.02
Rent Exp.	-	70.00
Tax Audit Fees	5.62	-
Stationery and Printing Exps.	0.95	-
Others	-	0.21
Total	15.78	76.85

12. Payment to Auditor

₹ in Thousands

Particulars	2013-14	2012-13
a. For audit services	5.62	5.62
b. For taxation matters	5.62	-
Total	11.24	5.62

13. Significant Accounting Policies and Other Notes forming part of Accounts :

i. Basis for preparations of Financial Statements:

The accounts have been prepared under the historical cost convention to comply in all materials aspects with generally accepted accounting principles

ii. Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

iii. Related Party Disclosure:

As per Accounting Standard 18(AS-18) related party disclosure issued by ICAI, the disclosure of transaction with related parties as defined in AS-18 are given below:

A. List of Related Parties & Relationship

Name of Related Party	Relationship
GSEC Limited	Holding Company
Komal Infotech Private Limited	Ultimate Holding Company
GSEC Infrastructure Private Limited	Associate Company
GSEC Aviation Limited	Associate Company
GSEC Green Energy Private Limited	Sister Company
Key Management Personnel	
(i) Rakesh R. Shah	
(ii) Shaishav R. Shah	
(iii) Samir H. Mankad	

B. Transaction during the year with Related Parties (Excluding Reimbursement)

` in Thousands

Nature Of Transaction	Holding Co.	Subsidiary Co.	Associate	Key Mgmt. Personnel
Unsecured Loan	42965.70	-	-	-

14. As per the requirement of Schedule VI of the Companies Act, 1956, the amounts of financial statements have been rounded off to the nearest thousands of rupees. Hence, the differences in total and sub-total of some items are inevitable.

As per our attached report of even date

For BJS & Associates
 Chartered Accountants
 Firm Registration No. 113268W

Bipin Shah
 Partner
 Membership No. 10712

Date : 4th August, 2014
 Place : Ahmedabad

For and on behalf of the Board

Rakesh Shah
 Director

Samir Mankad
 Director

Date : 4th August, 2014
 Place : Ahmedabad

GSEC Green Energy Private Limited



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DIRECTORS' REPORT

To,

The Members,

Your Directors present herewith the Annual Report together with the Audited Statement of Accounts for the period ended 31st March, 2014.

1. Financial Results:

Particulars	2013-14	2012-13
Revenue from operations and other Income	25,604.36	19,899.95
Profit before financial charges, Depreciation and taxation	(6,316.89)	(9,352.36)
Less: Financial charges	(870.05)	(462.42)
Less: Depreciation and amortization expenses	(3,201.31)	(2,190.42)
Profit (Loss) before exceptional and prior period items and tax	(10,388.26)	(12,005.20)
Less: Exceptional items	(NIL)	(NIL)
Less: Prior period items	(NIL)	(NIL)
Profit before tax	(10,388.26)	(12,005.20)
Less: Current Tax	(NIL)	(NIL)
Less: Deferred Tax Liability	(NIL)	(NIL)
Less: Provision for tax of earlier years	(NIL)	(NIL)
Profit after taxation	(10,388.26)	(12,005.20)

2. Dividend:

In view of the losses, your Directors decided not recommend any dividend for the period under review.

3. Deposits:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956, during the period under review.

4. Directors:

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Utsavi Shah, Director of the Company shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re-appointment.

5. Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- (1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (2) Appropriate accounting policies have been selected and applied them consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial period and of the loss of the Company for that period;
- (3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (4) The accounts have been prepared on going concern basis.

6. Employees:

As there are no employees drawing remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, from time to time, statement under Section 217(2A) is not required.

7. Auditors:

The Company's auditors M/s BJS & Associates, Chartered Accountants, will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Members are requested to appoint auditors for the current year and fix their remuneration.

8. Conservation Of Energy, Technology Absorption, Foreign Exchange Earning And Outgo:

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure "I" attached hereto and forming part of the Directors' Report.

9. Acknowledgment:

Your directors acknowledge with deep sense of gratitude for the continued support extended by all concerned.

For and on behalf of the Board of Directors,

Date: 4th August, 2014
Place: Ahmedabad

Shaishav Shah
Director

Utsavi Shah
Director

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2014.

FORM – A

Form for disclosure of particulars with respect to Conservation of Energy

(A) Conservation of energy:

a) Energy conservation measures taken:

We have taken measures and applied strict control system to monitor day to day power consumption, as an endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy and other resources:

We continuously monitor and make efforts for optimum utilization of equipments which ensure conservation of energy during routine operations itself. Considering the nature of business of the company there is no need of any specific investment plan for energy conservation.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Impact of the measures mentioned here in above in point (a) and (b) certainly reduces the energy consumption and consequent impact on the cost of services provided. They also insure prudent use of resources.

d) Total energy consumption and energy consumption per unit of production:

Furnishing of these particulars is not applicable to the Company as it is not carrying on any business which is listed in the Schedule to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(B) Technology Absorption:

The efforts made in Technology Absorption are mentioned below in Form-B

(C) Foreign Exchange Earnings and Outgo: NIL

FORM – B

Form for disclosure of particulars with respect to Absorption

1) Research and Development (R & D):

a) Specific areas in which (R & D) carried out by the Company:

The Company has not carried out R & D in any specific area during the year.

b) Benefits derived as a result of the above R & D: N.A.

c) Future plan of action: The Company has nothing to report under this clause

d) Details of R & D Expenditure: N.A.

2) Technology Absorption, Adaption and Innovation:

a) Efforts, in brief, made towards technology absorption, adaptation and innovation:

The Company has always been making best efforts towards technology absorption, adaptation and innovation to improve the quality of service provided.

b) Benefits derived as a result of the above efforts e.g. product, improvements, cost reduction, product development, import substitution etc :

It improves the quality of services being provided by the Company.

c) Details of Technology imported (During the last 5 years):

1.	Technology imported:	N.A.
2.	Year of Import:	N.A.
3.	Has technology been fully absorbed? :	N.A.
4.	If not absorbed, areas where this has not taken place, reasons there for and future plan of action:	N.A.

For and on behalf of the Board of Directors,

Date: 4th August, 2014
Place: Ahmedabad

Shaishav Shah
Director

Utsavi Shah
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Green Energy Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of GSEC Green Energy Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (herein after referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Companies Act 1956, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
-

For BJS and Associates
Chartered Accountants
Firm Registration No. 113268W

Bipin J. Shah
Partner
Membership No. 10712

Date : 4th August, 2014
Place : Ahmedabad

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

To,

The Members,

GSEC Green Energy Private Limited,

(Referred to in paragraph 7 of our report of even date on the accounts for the year ended 31st March, 2014 of GSEC Green Energy Private Limited, Ahmedabad.)

I. In respect of its Fixed Assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
- b. As explained to us, all the fixed assets are physically verified once in a year, which is considered reasonable in relation to the size of the Company. No material discrepancies were noticed on such verification.
- c. In our opinion, the company has not disposed off a substantial part of fixed assets during the year and the going concern status of the company is not affected.

II. In respect of its Inventories:

- a. Physical verification has been conducted by the management at reasonable intervals.
- b. In our opinion & according to information and explanation provided to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed of physical verification of inventories as compared to book records.

III. In respect of the Loans, secured or unsecured taken by the company from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

- a. According to the information and explanation given to us, the details of unsecured loan/advances taken by the Company covered in the register maintained under Section 301 of the Companies Act, 1956.

Particulars	No of parties	Amount (` in Thousand)
Opening balance	1	49028.72
Taken during the year	1	7409.48
Repaid during the year	1	9600.00
Closing Balance	1	46838.20

In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.

- b. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest

IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and sale of goods and services except that the internal control for trading activities is required to be strengthened.

During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control.

V. In our opinion and according to the information and explanations given to us and based on the representation by the management, transaction that needs to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

VI. The company has not accepted any deposit from the public.

- VII. This being not a listed Company and the turnover in the preceding financial year has not exceeded Rs 5 Crore, the internal audit System is not obligatory.
- VIII. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of the Company.
- IX. Statutory and other dues:
According to Information and Explanation given to us in respect of statutory and other dues, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Investors' Education and Protection Fund and other statutory dues with appropriate authorities during the year.
- X. The Company has accumulated losses at the end of financial year and it has incurred cash losses in the financial year covered by the audit and in the immediately preceding financial year.
- XI. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to banks.
- XII. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence, we have no comments to offer in respect of clause 4(xii) of the Companies (Auditor's Report) Order, 2003.
- XIII. In our opinion the Company is not a Chit Fund or Nidhi mutual benefit fund/ Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report), 2003 are not applicable to the Company.
- XIV. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the company in its own name.
- XV. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions and hence we have no comments to offer in respect of clause 4(xv) of the Companies (Auditor's Report) Order, 2003.
- XVI. The Company has taken term loans during the year, Based on the information & Explanation given to us by management, the term loan were applied for the purpose of which the loans were obtained.
- XVII. On the basis of our examination of the Balance Sheet of the company and according to the information and explanations given to us, the company has not used the funds borrowed on short term basis for long term investment and vice versa.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, we have no comments to give on clauses 4 of (xviii) of the Companies (Auditor's report) order 2003.
- XIX. The Company has not issued any debenture during the year.
- XX. The Company has not raised money by public issue.
- XXI. To the best of our knowledge and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For BJS and Associates
Chartered Accountants
Firm Registration No. 113268W

Bipin J. Shah
Partner
Membership No. 10712

Date : 4th August, 2014
Place : Ahmedabad

Balance Sheet as at 31st March, 2014

in Thousands

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	100.00	100.00
(b) Reserves and Surplus	2	(23,934.28)	(13,546.02)
2 Share application money pending allotment		-	-
3 Non-current Liabilities			
(a) Long-term Borrowings	3	-	1,433.91
(b) Other Long-term Liabilities	4	-	87.50
4 Current liabilities			
(a) Short-term Borrowings	5	66,144.98	60,982.05
(b) Trade Payables	6	3,365.13	2,042.84
(c) Other Current Liabilities	7	4,358.53	7,115.29
TOTAL		50,034.36	58,215.56
II. ASSETS			
Non-current Assets			
1 (a) Fixed Assets	8		
(i) Tangible Assets		30,035.81	32,226.30
(b) Non-current Investments	9	15.00	15.00
(c) Long-term Loans and Advances	10	827.27	849.30
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories	11	3,289.12	4,341.00
(c) Trade Receivables	12	14,983.92	12,989.73
(d) Cash and Cash Equivalents	13	82.47	6,017.42
(e) Short-term Loans and Advances	14	585.27	1,611.73
(f) Other Current Assets	15	215.50	165.07
TOTAL		50,034.36	58,215.56
Significant Accounting Policies & Other Notes on Financial Statements	24		

As per our attached report of even date

For and on behalf of the Board

For BJS & Associates
 Chartered Accountants
 Firm Registration No. 113268W

Shaishav Shah
 Director

Bipin Shah
 Partner
 Membership No. 10712

Utsavi Shah
 Director

Date : 4th August, 2014
 Place : Ahmedabad

Date : 4th August, 2014
 Place : Ahmedabad

Statement of Profit and Loss for the year ended 31st March, 2014

in Thousands

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I. Revenue From Operations			
Sale of Products	16	26,848.72	20,329.29
Sale of Services		-	-
Other Operating Revenues		-	-
Less:			
Excise duty		1,450.05	642.78
		25,398.67	19,686.51
II. Other Income	17	205.69	213.44
III. Total Revenue		25,604.36	19,899.95
IV. Expenses:			
Cost of Materials Consumed	18	16,044.37	20,399.41
Purchases of Stock-in-Trade		-	-
Purchases of Services		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	1,288.03	(4,341.00)
Employee Benefits Expense	20	2,612.84	2,677.95
Finance Costs	21	870.05	462.42
Depreciation and amortization expense		3,201.31	2,190.42
Other Expenses	22	11,976.01	10,515.94
Total Expenses		35,992.61	31,905.15
V. Profit before exceptional and extraordinary items and tax		(10,388.26)	(12,005.20)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax		(10,388.26)	(12,005.20)
VIII. Extraordinary Items		-	-
IX. Profit before tax		(10,388.26)	(12,005.20)
X. Tax Expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI. Profit/(Loss) for the period from continuing operations		(10,388.26)	(12,005.20)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations	-	-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax)		-	-
XV. Profit/(Loss) for the period		(10,388.26)	(12,005.20)
XVI. Earnings per equity share:			
Basic & Diluted		(1,038.83)	(1,200.52)
Significant Accounting Policies & Other Notes on Financial Statements	24		

As per our attached report of even date

For BJS & Associates
 Chartered Accountants
 Firm Registration No. 113268W

Bipin Shah
 Partner
 Membership No. 10712

Date : 4th August, 2014
 Place : Ahmedabad

For and on behalf of the Board

Shaishav Shah
 Director

Utsavi Shah
 Director

Date : 4th August, 2014
 Place : Ahmedabad

Notes on Financial Statements for the year ended 31st March, 2014

1. Share Capital

₹ in Thousands

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount	Number	Amount
Authorised Equity Shares of ₹ 10 each	10,000	100.00	10,000	100.00
Issued Equity Shares of ₹ 10 each	10,000	100.00	10,000	100.00
Subscribed & fully Paid up Equity Shares of ₹ 10 each	10,000	100.00	10,000	100.00
Total	10,000	100.00	10,000	100.00

1.2 The reconciliation of the number of shares outstanding is set out below:

₹ in Thousands

Particulars	Equity Shares			
	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,000	100.00	10,000	100.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement	-	-	-	-
Shares outstanding at the end of the year	10,000	100.00	10,000	100.00

1.3 Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at 31st March, 2014	As at 31st March, 2013
		Number	Number
GSEC Limited and its Nominee(s)	Holding Company	10,000	10,000

1.4 Details of Shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
GSEC Limited and its Nominee(s)	10,000	100.00	10,000	100.00

2. Reserves & Surplus

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Profit & Loss A/c (Surplus)		
Opening balance	(13,546.02)	(1,540.82)
(+) Net Profit/(Net Loss) For the current year	(10,388.26)	(12,005.20)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(23,934.28)	(13,546.02)
Total	(23,934.28)	(13,546.02)

3. Long-term Borrowings

` in Thousands

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Secured Loans				
Term loans				
Rupee Loan				
-From Banks	-	1,433.91	1,771.24	3,600.00
-From Others	-	-	-	-
Total	-	1,433.91	1,771.24	3,600.00

4. Other Long Term Liabilities

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Payable	-	87.50
Total	-	87.50

5. Short Term Borrowings

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2015
a) Secured Loans		
Working capital facilities from Bank of Maharashtra	4,003.45	-
	4,003.45	-
b) Unsecured Loans		
(I) Loans and Advances from Related Parties		
GSEC Limited	46,838.20	49,028.72
Shaishav R Shah	7,016.66	3,666.66
	53,854.86	52,695.38
(ii) Loans repayable on demand	8,286.67	8,286.67
	62,141.54	60,982.05
Total	66,144.98	60,982.05

6. Trade Payables

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Payables	1,798.42	516.65
Unearned Income		
Others	1,566.71	1,526.19
(Creditors for Expenses)		-
Total	3,365.13	2,042.84

7. Other Current Liabilities

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Current maturities of long-term debt	1,771.24	3,600.00
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unclaimed dividends	-	-
(g) Application money received for allotment of securities and due for refund	-	-
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Creditors for Capital Expenditure	502.61	2,161.15
(k) Other payables (specify nature)		
1) Statutory Dues Payables	838.74	201.20
2) Trade/Security Deposit	321.17	321.17
3) Advance from Customers	653.20	343.82
4) Provision for Leave encashment	-	-
5) Provision for bonus	-	-
6) Other Liabilities	271.58	487.95
Total	4,358.53	7,115.29

8. Fixed Assets

₹ in Thousands

Particulars	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1st April, 2013	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at 31st March, 2014	Balance as at 1st April, 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March, 2014	Balance as at 1st April, 2014	Balance as at 31st March, 2013
a. Tangible Assets											
Factory Building	15947.00	369.12	-	16316.13	447.84	785.45	-	-	1233.29	15082.83	15499.16
Plant and Machinery	14537.67	27.00	-	14564.67	1407.92	1829.72	-	-	3237.64	11327.02	13129.75
Office equipment	3474.91	614.69	-	4089.60	269.15	515.25	-	-	784.40	3305.20	3205.76
Furniture & Fixture	457.15	0.00	-	457.15	65.52	70.89	-	-	136.40	320.75	391.63
Total (i)	34416.73	1010.82	-	35427.55	2190.42	3201.31	-	-	5391.73	30035.81	32226.30
b. Capital Work in Progress (ii)	-	-	-	-	-	-	-	-	-	-	-
Total (i+ii)	34416.73	1010.82	-	35427.55	2190.42	3201.31	-	-	5391.73	30035.81	32226.30
Previous Year's details	16231.85	40702.61	22517.73	34416.73	-	2190.42	-	2190.42	32226.30	3503.75	16231.85

9. Non-Current Investments

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Other Investments		
Investments in Government Securities-Unquoted	-	-
National Savings Certificate (Includes Deposited with Sales tax department)	15.00	15.00
Total	15.00	15.00

10. Long Term Loans & Advances
(Unsecured and Considered Good)

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deposit with Others	827.27	849.30
Total	827.27	849.30

11. Inventories

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Carbon Black	1,448.82	1,400.00
Steel Scrape	891.15	354.27
TYRE	236.15	2,371.50
Tyre Oil	713.00	194.58
Wood	-	20.65
Total	3,289.12	4,341.00

12. Trade Receivables

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured- Considered good		
Outstanding for period exceeding six months	12,100.00	12,100.00
Other Receivables	2,883.92	889.73
	14,983.92	12,989.73
Unsecured, considered doubtful		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
	-	-
Less: Provision for doubtful debts	-	-
Total	14,983.92	12,989.73

13. Cash and Cash Equivalents

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Balance with Banks	25.10	4,744.29
Cheques, Drafts on hand	-	-
Cash on Hand	61.55	66.13
Margin Money Deposit	(4.17)	1,207.01
Total	82.47	6,017.42

14. Short-term Loans and Advances

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Loans & Advances to related parties	-	-
Advance Income Tax (Net of Provision)	32.51	15.39
Deposits	-	-
Balances with Statutory/Government Authorities (Unsecured, considered good)		
CENVAT Credit Receivable	21.90	1,088.64
Input Credit of VAT Receivable	385.48	385.49
Prepaid Expense	106.09	54.18
Other Loans and Advances (Unsecured , including advance to Suppliers)Unsecured , Considered Good	41.73	58.18
Doubtful	-	-
Provision for Doubtful Advances	-	-
Loans to employee	(2.45)	9.86
Total	585.27	1,611.73

15. Other Current assets

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest Accrued on FDR	-	14.06
Advance for expenses	-	-
Other Receivables	210.24	148.38
Interest Accrued on VAT Deposit	5.26	2.63
Total	215.50	165.07

16. Revenue From operation

` in Thousands

Particulars	2013-14	2012-13
Sale of products;	26,848.72	20,329.29
Sale of services;	-	-
Less:		
Excise duty.	1,450.05	642.78
Total	25,398.67	19,686.51
Total Operating Revenue	25,398.67	19,686.51

17. Other Income

` in Thousands

Particulars	2013-14	2012-13
Interest Income	75.29	117.91
Misc Dr/Cr Balance Written Back	16.89	95.53
Misc income	113.51	-
Total	205.69	213.44

18. Cost of Material consumed

` in Thousands

Particulars	2013-14	2012-13
Inventory at the beginning of the year	-	-
Add: Purchases	16,280.52	20,399.41
Add: Custom duty & Frieght	-	-
	16,280.52	20,399.41
Less: Inventory at the end of the year	236.15	-
Less: Abnormal Losses during the year	-	-
Cost of raw material consumed	16,044.37	20,399.41
Packing Material (if considered as part of Raw Material)	-	-
Other materials (purchased intermediates and components)	-	-
Total	16,044.37	20,399.41

19. Change in Inventories of Finished Goods

` in Thousands

Particulars	2013-14	2012-13
Inventories (At closing)		
Work in Progress	-	-
Finished Goods	3,052.97	4,341.00
	3,052.97	4,341.00
Inventories(At Commencement)		
Work in Progress	-	-
Finished Goods	4,341.00	-
	4,341.00	-
Total	1,288.03	(4,341.00)

20. Employee Benefits Expense

` in Thousands

Particulars	2013-14	2012-13
(a) Salaries and incentives	2,513.01	2,586.53
(b) Contributions to -	-	-
"(i) Provident and other fund(ii) Superannuation scheme"	92.17	68.61
(c) Gratuity fund contributions	-	-
(d) Social security and other benefit plans for overseas employees	-	-
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	-	-
(f) Staff welfare expenses	7.66	22.81
Total	2,612.84	2,677.95

21. Finance Costs

` in Thousands

Particulars	2013-14	2012-13
Interest expense	770.58	33.91
Bank Charges	99.47	407.19
Other borrowing costs	-	21.32
Total	870.05	462.42

22. Other Expenses

` in Thousands

Particulars	2014-13	2013-12
Audit Fees	22.47	39.33
Accommodation Expense	-	5.07
Filling Fees	0.20	0.50
Guest house expense	38.22	218.45
Internet expense	111.43	52.09
Foreign Travelling Expense	-	44.24
Consultancy charges	50.54	55.00
Lease Rent for Land at Bangrod	300.00	300.00
Professional Charges	55.92	245.85
Office Expense	30.62	85.81
Godown Rent Expense	-	7.00
Stationary & printing Expense	59.64	19.46
Security Charges	232.55	291.94
Motor Car Expense	43.99	135.19
Rent Expense	37.50	57.00
Telephone Expense	0.15	24.29
Traveling Expense	101.83	665.76
Transport Expense	2,969.91	2,723.59
Stamp Charges	-	108.44
Other Expenses	191.90	175.71
Registration fees Expenditure	69.49	196.03
Misc Store Items	1,270.20	1,387.29
Diesel Expenses	283.63	1,358.67
Insurance	65.07	124.99
Electricity Expense	3,374.91	783.84
Freight Expense	11.29	20.62
Packing Material Exp.	128.26	130.53
Plant and Garbage removal A/c	34.40	310.44
Plantation Exp A/c	-	434.56
Loading / Unloading Charges	1,844.24	345.61
Site Expense	311.07	84.91
Water Charges	0.40	83.73
Custom Duty Expense	77.38	-
Tyre Cutting Expense	258.81	-
Total	11,976.01	10,515.94

23. Payment to Auditor

` in Thousands

Particulars	2013-14	2012-13
a. For audit services	16.85	28.09
b. For taxation matters	5.62	11.24
c. For company law matters	-	-
d. For management services	-	-
e. For other services	-	-
f. For reimbursement of expenses	-	-
Total	22.47	39.33

24. Significant Accounting Policies & Other Notes on Financial Statements:

i. Basis for preparations of financial statements:

The accounts have been prepared under the historical cost convention to comply in all materials aspects with generally accepted accounting principles.

ii. Sales:

Revenue is recognised when the Significant risk & Reward of ownership of the goods have been passed to buyers. Sale of goods is exclusive of excise and Sales Tax/VAT.

iii. Related Party Disclosure:

As per Accounting Standard 18 (AS-18) related party disclosure issued by ICAI, the disclosure of transaction with related parties as defined in AS-18 are given below:

A. List of Related Parties & Relationship

Name of Related Party	Relationship
GSEC Limited	Holding Company
Komal Infotech Private Limited	Ultimate holding Company
GSEC Infrastructure Private Limited	Associate Company
GSEC Aviation Limited	Associate Company
GSEC Logistics Limited	Sister Company
Key Management Personnel	
(i) Shaishav R. Shah	

B. Transaction during the year with related Parties (Excluding Reimbursement)

Nature of Transaction	` in Thousands			
	Holding Co.	Subsidiary Co.	Associates	Key Mgmt. Personnel
Unsecured Loan	46838.20	-	-	7016.66

25. As per the requirement of Schedule VI of the Companies Act, 1956, the amounts of financial statements have been rounded off to the nearest thousands of rupees. Hence, the differences in total and sub-total of some items are inevitable.

As per our attached report of even date

For BJS & Associates
 Chartered Accountants
 Firm Registration No. 113268W

Bipin Shah
 Partner
 Membership No. 10712

Date : 4th August, 2014
 Place : Ahmedabad

For and on behalf of the Board

Shaishav Shah
 Director

Utsavi Shah
 Director

Date : 4th August, 2014
 Place : Ahmedabad



Komoline Aerospace Limited



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DIRECTORS' REPORT

To
The Members,
Your Directors have pleasure in presenting the Annual Report together with the audited Statements of Accounts for the year ended 31st March, 2014.

1. Financial Results:

` in Thousands

Particulars	2013-14	2012-13
Revenue from operations and other Income	55,353.25	35,962.49
Profit before financial charges, Depreciation and taxation	6,569.99	5,718.79
Less: Financial charges	(4,197.96)	(2,458.45)
Less: Depreciation and amortization expenses	(1,468.38)	(2,745.08)
Profit before exceptional and prior period items and tax	903.65	515.25
Less: Exceptional items	(NIL)	(NIL)
Less: Prior period items	(NIL)	(NIL)
Profit before tax	903.65	515.25
Less: Current Tax	(350.00)	(31.36)
Less: Deferred Tax Liability	(697.18)	(478.70)
Less: Provision for tax of earlier years	(NIL)	(NIL)
Profit after taxation	(143.53)	5.20
Amount available for appropriation	(143.53)	5.20
Transfer to general reserve	(NIL)	(NIL)
Proposed dividend and dividend tax	(NIL)	(NIL)
Balance carried to balance sheet	(143.53)	5.20

2. Dividend:

In view of the losses this year, your Directors have thought fit not to recommend any dividend for the year.

3. Deposits:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 during the year under review.

4. Directors:

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Shri Shaishav Shah, Director of the Company shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

5. Directors Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
4. the accounts have been prepared on going concern basis.

6. Employees:

As there are no employees drawing remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, from time to time, statement under section 217(2A) is not required.

7. Secretarial Compliance Certificate:

As required by the Company (Amendment) Act, 2000 and relevant rules made there under "Secretarial Compliance Certificate" under section 383A is attached herewith.

8. Auditors:

The Company's auditors M/s. BJS & Associates, Chartered Accountants, will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Members are requested to appoint auditors for the current year and fix remuneration.

9. Conservation of Energy, Technology Absorption, and Foreign Exchange Earning and Outgo:

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure "I" attached hereto and forming part of the Directors' Report.

10. Acknowledgment:

Your directors acknowledge with deep sense of gratitude for the continued support extended by all concerned.

For and on behalf of the Board of Directors,

Date: 4th August, 2014

Place: Ahmedabad

Rakesh Shah
Director

Sanjay Attara
Director

Annexure to the Directors' Report

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2014.

FORM-A

Form for Disclosure of Particulars with respect to Conservation of Energy

(A) Conservation of energy:

a) Energy conservation measures are taken:

The Company has taken measures and applied control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The office area is designed in such a way that during day time not much artificial lighting is necessary in the office.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy and other raw materials:

The Company is continuously monitoring and making effort for optimum utilization of equipments which ensures to conserve energy during routine operations itself. There is no specific investment plan for energy conservation.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption anything wrong and consequent impact on the cost of production of goods:

Impact of the measures mentioned here in above in point (a) and (b) certainly reduces the energy consumption.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure:

Furnishing of these particulars is not applicable to this Company, as it is not carrying on any business which is listed in the Schedule to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(B) Technology Absorption:

Details relating to this item are more detailed fully described in Form B given herein below.

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earnings equivalent to NIL (Previous Year NIL)

Out go of foreign exchange equivalent to ` 6134.42 thousands (Previous Year ` 2286.11 thousands)

FORM – B

Form for disclosure of particulars with respect to absorption

1) Research and Development (R & D):

(a) Specific areas in which (R & D) carried out by the Company:

- Distress Alert Transmitter
- GPS Radio Sonde
- Automatic Weather Station
- Sensors

(b) Benefits derived as a result of the above R & D:

It has helped the Company reserving the market share to a great extent.

(c) Future plan of action.

The Company is contemplating and concentrating on mass production of the technological products designed and developed by the Company.

(d) Details of R & D Expenditure

1. Capital Expenditure:	NIL
2. Recurring Expenditure:	NIL
3. Total Expenditure:	NIL
4. Total R&D Expenditure as a percentage of the total turnover:	NIL

2) Technology Absorption, Adaption and Innovation:

(a) Efforts, in brief, made towards technology absorption, adaptation and innovation.

[i] Transfer of Technology Taken From ISRO:

- 1) Distress Alert Transmitter
- 2) MSS Type D Terminal
- 3) Asic Based Demodulator

[ii] Transfer of Technology From NIOT(Under Process)

- 1) Drifter Buoy Systems

[iii] Self Funded Technology Development

- 1) GPS Radio Sonde

(b) Benefits derived as a result of the above efforts e.g. product, improvements, cost reduction, product development, import substitution etc.:

All products impart substitute scientific application products related to Hydro metrology, Upper Air observation, Emergency Search & Rescue and SATCOM applications.

(c) Details of technology imported (During the last 5 years):

1. Technology imported:	N.A.
2. Year of import:	N.A.
3. Has technology been fully absorbed? :	N.A.
4. If not absorbed, areas where this has not taken place, reasons there for and future plan of action:	N.A.

All the technologies are indigenious. Imported technology is not availed.

For and on behalf of the Board of Directors,

Date: 4th August, 2014
Place: Ahmedabad

Rakesh Shah
Director

Sanjay Attara
Director

SECRETARIAL COMPLIANCE CERTIFICATE

To,

The Members,
KOMOLINE AEROSPACE LIMITED
110-124, Om Tower,
Satellite Road,
Ahmedabad- 380 015

We have examined the registers, records, books and papers of Komoline Aerospace Limited, (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and Companies Act, 2013 (to the extent of sections made effective from 12th September, 2013), and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Gujarat.
3. The Company, being a Public Limited Company, comments on maximum number of members are not required.
4. The Board of Directors duly met 4 times on (1) 11-05-2013 (2) 19-07-2013 (3) 27-12-2013 and (4) 21-03-2014 in respect of which meetings notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the year under review.
6. The Annual General Meeting for the financial year ended on 31-03-2013 was held on 17-09-2013 after giving notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the year under review.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Companies Act, 1956.
9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section during the year under review, wherever applicable.
10. The Company has made necessary entries in the register maintained under section 301 of the Act during the year under review.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, during the year under review.
12. The Company has not issued any duplicate share certificates during the year under review.
13. During the year under review :
 - (i) there were no allotment/transfer/transmission of securities;

- (ii) the Company has not deposited any amount in a separate Bank Account as no dividend was declared;
 - (iii) the Company was not required to post warrants to any member of the Company as no dividend was declared;
 - (iv) the Company has not transferred any amounts in unpaid dividend account, application money due for refund, matured deposits, mature debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of 7 years to investor education and Protection Fund as there were no such amounts outstanding;
 - (v) the Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the year under review.
 15. The Company's Paid-up Share Capital being less than the prescribed limit of ₹ 5 Crores, it is not required to appoint any Managing Director/Whole - time Director/Manager.
 16. The Company has not appointed any sole-selling agents during the year under review.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year under review.
 18. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not issued any shares, debentures or other securities during the year under review.
 20. The Company has not bought back any shares during the year under review.
 21. As there were no preference shares or debentures issued, there was no redemption of preference shares or debentures during the year under review.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A of the Act, during the year under review.
 24. The amount borrowed by the company during the year under review is less than paid-up capital and free reserve of the Company and hence no resolution as per section 293(1)(d) of the Companies Act, 1956 has been passed and the amounts borrowed by the Company is less than paid up share capital and free Reserve of the Company so it would not be necessary to get the approval of members of the Company under provisions of section 180(1)(c) of Companies Act, 2013.
 25. The Company has granted loan to other body corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose and the Company has not made investments, not given guarantees or provided securities to other bodies corporate and consequently no entries has been made in the register kept for the purpose in this regards.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under review.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under review.

28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under review.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under review.
 30. The Company has not altered its Articles of Association during the year under review.
 31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year under review, for offences under the Act.
 32. The Company has not received any money as security from its employees during the year under review.
 33. The Company has not constituted any separate provident fund of employees or any class of employees as envisaged under sections 418 of the Act.
-

For Parikh Dave & Associates
Company Secretaries

Place: Ahmedabad
Date: 4th August, 2014

Uday G. Dave
Partner
C. P. No.: 7158

Annexure "A"

List of Registers as maintained by the Company:

1. Register of Transfer under Section 108.
2. Register of Charges under Section 143.
3. Register of Members under Section 150.
4. Copies of Annual Returns under Section 159.
5. Register of Contracts under Section 301.
6. Register of Directors under Section 303.
7. Register of Directors' Shareholding under section 307.
8. Register of Investments / loans etc. under Section 372A.
9. Attendance registers of all the meetings of Board and General Meeting of the Company.
10. Minutes of the General Meetings and Meetings of Board of Directors under section 193(1).

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities for and during the financial year ending 31-03-2014.

SR. NO.	FORM NO./ RETURN NO	FILED UNDER SECTION NO	DESCRIPTION	DATE OF FILING	WHETHER FILED WITHIN PRESCRIBED TIME YES/ NO	IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEE PAID YES/NO
1	66	383A	Secretarial Compliance Certificate for the year 2012-2013.	02-10-13	Yes	N.A.
2	23AC & 23ACA	220	Annual Report for the financial year ended 31-03-2013.	16-10-13	Yes	N.A.
3	20B	159(1)	Annual Return made up to 17-09-2013.	15-11-13	Yes	N.A.

INDEPENDENT AUDITOR'S REPORT

To the Members of Komoline Aerospace Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Komoline Aerospace Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (herein after referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Companies Act 1956, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For BJS And Associates
Chartered Accountants
Firm Registration No. 113268W

Date: 4th August, 2014
Place: Ahmedabad

Apurv B. Shah
Partner
Membership No. 106016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of

Komoline Aerospace Limited,

(Referred to in paragraph 8 of our report of even date on the accounts for the year ended 31st March, 2014, of Komoline Aerospace Limited, Ahmedabad)

- I. In respect of its Fixed Assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - As explained to us, all the fixed assets are physically verified once in a year, which is considered reasonable in relation to the size of the Company. No material discrepancies were noticed on such verification.
 - In our opinion, the Company has not disposed off a substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- II. In respect of its Inventories:
- Physical verification has been conducted by the management at reasonable intervals.
 - In our opinion and according to information and explanation provided to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed of physical verification of inventories as compared to book records.
- III. In respect of the loans, secured or unsecured granted or taken by the Company to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
- According to the information and explanation given to us the details of unsecured loan granted by the Company covered in the register maintained under Section 301 of the Companies Act, 1956.

Particulars	No of parties	Amount (₹ in Lacs)
Opening balance	1	107.14
Granted during the year	1	36.78
Repaid during the year	1	125.5
Closing Balance	1	18.42

In our opinion the rate of interest and other terms and conditions on which loans / advances have been granted by companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the company.

- IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and sale of goods and services except that the internal control system for trading activities is required to be strengthened.
- During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- V. In our opinion and according to the information and explanations given to us and based on the representation by the management, transaction that needs to be entered in the register maintained under Section 301 of the Act of the Companies Act, 1956 have been so entered.
- VI. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (IV) of paragraph 4 of the Order are not applicable to the Company.

- VII. The Internal audit system is in our opinion, commensurate with the size and nature of the business of the Company
- VIII. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 in respect of the Company.
- IX. Statutory and other dues:
- According to information and explanation given to us in respect of statutory and other dues, the Company has been generally regular in depositing undisputed statutory dues including Provident fund, Income tax, Service tax, Investors' Education and Protection Fund and other statutory dues with appropriate authorities during the year.
- X. The Company has no accumulated losses at the end of financial year and it has not incurred cash losses in the financial year covered by the audit and in the immediately preceding financial year.
- XI. Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to banks, financial institutions,
- XII. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence, we have no comments to offer in respect of clause 4(xii) of the Companies (Auditor's Report) Order, 2003.
- XIII. In our opinion the Company is not a Chit Fund or Nidhi mutual benefit fund/ Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report), 2003 are not applicable to the Company.
- XIV. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.
- XV. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions and hence we have no comments to offer in respect of clause 4(xv) of the Companies (Auditor's Report) Order, 2003.
- XVI. The Company has not taken any term loans during the year.
- XVII. On the basis of our examination of the Balance Sheet of the Company and according to the information and explanations given to us, the Company has not used the funds borrowed on short term basis for long term investment and vice versa.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- XIX. The Company has not issued any debenture during the year.
- XX. The Company has not raised money by public issue during the year.
- XXI. To the best of our knowledge and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year.

For BJS And Associates
Chartered Accountants
Firm Registration No. 113268W

Date: 4th August, 2014
Place: Ahmedabad

Apurv B. Shah
Partner
Membership No. 106016

Balance Sheet as at 31st March, 2014

` in Thousands

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	18,750.00	18,750.00
(b) Reserves and Surplus	2	12,998.73	13,142.26
(c) Money received against share warrants		-	-
		31,748.73	31,892.26
2 Share application money pending allotment		-	-
3 Non-current Liabilities			
(a) Long-term Borrowings		-	-
(b) Deferred tax Liabilities (Net)		1,329.54	632.36
(c) Other Long-term Liabilities		-	-
(d) Long-term Provisions		-	-
		1,329.54	632.36
4 Current Liabilities			
(a) Short-term Borrowings	3	26,447.53	17,732.54
(b) Trade Payables		4,205.59	1,020.71
(c) Other Current Liabilities	4	1,336.07	4,111.96
(d) Short-term Provisions	5	2,590.05	2,710.88
		34,579.23	25,576.10
		67,657.50	58,100.71
II. ASSETS			
Non-current Assets			
1 (a) Fixed Assets			
i) Tangible Assets	6	9,653.65	9,691.05
ii) Intangible Assets		-	-
iii) Capital Work-in-progress		-	-
iv) Intangible assets under development		-	-
(b) Non-current Investments	7	4,476.08	4,476.08
(c) Deferred Tax Assets (net)		-	-
(d) Long-term Loans and Advances	8	2,485.54	11,045.28
(e) Other Non-current Assets		-	-
		16,615.27	25,212.41
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories	9	29,308.08	22,797.44
(c) Trade Receivables	10	17,635.33	5,374.92
(d) Cash and Cash Equivalents	11	3,072.30	1,099.09
(e) Short-term Loans and Advances		-	-
(f) Other Current Assets	12	1,026.54	3,616.86
		51,042.24	32,888.31
		67,657.50	58,100.71
Significant Accounting Policies & Other Notes on Financial Statements	20		

As per our attached report of even date
For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

Apurv Shah
Partner
M.No. 106016

Date: 4th August, 2014
Place : Ahmedabad

For and on behalf of the Board

Rakesh Shah
Director

Sanjay Attara
Director

Date: 4th August, 2014
Place : Ahmedabad

Statement of Profit and Loss for the year ended 31st March, 2014

in Thousands

Particulars	Note No.	2013-14	2012-13
I. Revenue from Operations	13		
Sale of Products		35,089.01	23,662.53
Sale of Services		22,441.14	15,259.32
Less:			
Excise duty		2,397.91	3,069.71
Other Operating Revenues		221.00	110.35
		55,353.25	35,962.49
II. Other Income	14	1,713.83	3,568.27
		1,713.83	3,568.27
III. Total Revenue (I + II)		57,067.08	39,530.76
IV. Expenses:			
Cost of materials consumed	15	18,499.82	7,411.38
Purchases of Stock-in-Trade		4,148.83	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade [decrease / (Increase)]	16	(8,227.28)	(5,354.13)
Employee Benefits Expense	17	16,641.60	18,103.98
Finance Costs	18	4,197.96	2,458.45
Depreciation and amortization expense		1,468.38	2,745.08
Other Expenses	19	19,434.12	13,650.74
Total Expenses		56,163.43	39,015.51
V. Profit before exceptional and extraordinary items and tax (III-IV)		903.65	515.25
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		903.65	515.25
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		903.65	515.25
X Tax Expense:			
(1) Current tax		350.00	31.36
(2) Deferred tax		697.18	478.70
3) Prior Period Adjustment		-	-
XV Profit /(Loss) for the period		(143.53)	5.20
XVI Earnings per equity share:			
(1) Basic		(0.77)	0.03
(2) Diluted		(0.77)	0.03
Significant Accounting policies & Other Notes on Financial Statements	20		

As per our attached report of even date
For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

For and on behalf of the Board

Rakesh Shah
Director

Apurv Shah
Partner
M.No. 106016

Sanjay Attara
Director

Date: 4th August, 2014
Place : Ahmedabad

Date: 4th August, 2014
Place : Ahmedabad

Cash Flow Statement for the year ended 31st March, 2014

` in Thousands

Particulars	2013-14	2012-13
Cash Flow From Operating activities		
Net Profit/ (loss) before Extra-ordinary items	903.65	515.25
Adjustments For:		
Depreciation	1,468.38	2,745.08
Interest paid	3,120.43	2,278.93
Interest Received on Deposits	(1,528.12)	(641.03)
Profit on sale of Fixed Assets	-	(2,574.73)
Dividends Received	(21.00)	(35.63)
Operating Profit before Working Capital Changes	3,943.35	2,287.88
Adjustments For:		
(Increase) in Trade and other Receivables	(12,260.40)	(2,908.27)
Increase Trade Payables	3,184.87	171.83
Increase in other current assets	2,590.32	(2,530.06)
Increase in other current liabilities	(3,246.73)	1,132.44
(Increase) in Inventories	(6,510.64)	(5,981.53)
Net cash Flow from operating Activities	(12,299.23)	(7,827.72)
Cash Flow From Investing activities		
Increase in Margin Money	(67.23)	1,660.89
Purchase of Fixed Assets	(1,430.98)	(1,028.48)
Interest Received	1,528.12	641.03
Dividend received on investments	21.00	35.63
Purchase of Investments	-	(1,529.63)
Sale of Fixed Assets	-	10,000.00
Capital Expenditure incurred	-	-
Increase in Fixed Deposit	(1,882.38)	(162.18)
Net cash Flow From investing activities	(1,831.46)	9,617.25
Cash Flow From Financing activities		
Borrowings From Companies	-	-
Borrowing From Bank	8,714.99	(13,505.76)
Loan from Others	-	-
Term Loans repaid to Banks & Others	-	(18,500.00)
Working Capital Borrowings from banks	-	-
Interest Paid	(3,120.43)	(2,278.93)
Loans and Advances given	8,559.73	(10,032.49)
Net cash Flow From Financing activities	14,154.29	(44,317.18)

Cash Flow Statement for the year ended 31st March, 2014 (Contd.)

in Thousands

Particulars	2013-14	2012-13
Net Increase in cash & cash equivalents. (A-B-C)	23.60	(42,527.65)
	79.91	
<u>Cash and cash equivalents at the beginning:</u>		
Cash on hand	45.60	16.79
Balance With Schedule Banks	57.92	42,614.38
<u>Cash and cash equivalents at the end:</u>		
Cash on hand	68.38	45.60
Balance With Schedule Banks	58.74	57.92

As per our attached report of even date
For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

For and on behalf of the Board

Rakesh Shah
Director

Apurv Shah
Partner
M.No. 106016

Sanjay Attara
Director

Date: 4th August, 2014
Place : Ahmedabad

Date: 4th August, 2014
Place : Ahmedabad

Notes on Financial Statements for the year ended 31st March, 2014

1. Share Capital

₹ in Thousands

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount	Number	Amount
Authorised 190000 Equity Shares of ₹ 100 each	190,000	19,000	190,000	19,000
Issued 187500 Equity Shares of ₹ 100 each	187,500	18,750	187,500	18,750
Subscribed & fully Paid up 187500 Equity Shares of ₹ 100 each	187,500	18,750	187,500	18,750
Total	187,500	18,750	187,500	18,750

The Reconciliation of the Number of shares Outstanding is Setout Below.

₹ in Thousands

Particulars	Equity Shares			
	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	187,500	18,750	187,500	18,750
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	187,500	18,750	187,500	18,750

Out of Equity Shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	Nature of Relationship	As at 31st March, 2014	As at 31st March, 2013
GSEC Limited	Holding Company	95,625	95,625
Komal Infotech Private Limited	Ultimate Holding Company	66,825	66,825

The details of Shareholders holding more than 5% of shares.

Name of Shareholder	Equity Shares			
	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
GSEC Limited	95,625	51.00	95,625	51.00
Mr. Sanjay Attara	25,050	13.36	25,050	13.36
Komal Infotech Private Limited	66,825	35.64	66,825	35.64

2. Reserves & Surplus

in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Capital Reserves		
Govt. Subsidy Opening Balance	312.04	312.04
Closing Balance	312.04	312.04
b. Surplus		
Opening balance	12,830.22	12,825.03
(+) Net Profit/(Net Loss) For the current year	(143.53)	5.20
Closing Balance	12,686.69	12,830.22
Total	12,998.73	13,142.26

3. Short-term Borrowings

in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured		
(a) Loans repayable on demand		
Bank of Maharashtra (Secured By hypothication of stock and debtors)	26,447.53	17,732.54
Above Facility is further secured by Personal Guarantee of Director Mr. Sanjay Attara and Corporate Guarantee of i) Komal Infotech Private Limited ii) GSEC Limited		
Total	26,447.53	17,732.54

4. Other Current Liabilities

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
1) Advance from Customer	814.94	1,535.99
2) Other Payables *	521.13	2,575.98
Total	1,336.07	4,111.96

* Includes Statutory Dues, Expenses Payable, and Advances From Customers

5. Short-term Provisions

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Provision for employee benefits		
Gratuity	2,039.27	2,255.00
Leave Encashment	533.03	597.18
Pro. For Bonus-2012-13	-	240.72
Pro. For Bonus-2013-14	506.38	212.69
(b) Others (Specify nature)		
Provision for Income Tax (Net)	(495.27)	(594.70)
Admin EDLI Payable	6.64	-
Total	2,590.05	2,710.88

6. Tangible Assets

` in Thousands

FIXED ASSETS	Rate of Dep.	Gross Block				Accumulated Depreciation				Net Block	
		As At 1st April, 2013	Additions	(Deductions)	As At 31st March, 2014	As At 1st April, 2013	Assets disposed	Dereciation For the Year	As At 31st March, 2014	As At 31st March, 2014	As At 31st March, 2013
1 Buildings	10.00	3,910.05	-	-	3,910.05	1,902.69	-	200.74	2,103.43	1,806.62	2,007.36
2 Plant & Machinery	15.00	17,503.70	1,237.43	-	18,741.14	10,915.85	-	1,013.91	11,929.76	6,811.38	6,587.86
3 Electrical Installation	13.91	500.57	-	-	500.57	429.57	-	9.88	439.44	61.12	71.00
4 Furnitures & Fixtures	18.10	1,587.78	-	-	1,587.78	1,483.79	-	18.82	1,502.61	85.17	103.99
5 Office Equipment	13.91	922.83	73.45	-	996.27	482.65	-	70.45	553.10	443.18	440.18
6 Air Conditioner	13.91	464.91	40.00	-	504.91	315.99	-	23.31	339.30	165.61	148.92
7 Computers	40.00	4,307.62	20.10	-	4,327.72	4,068.97	-	96.24	4,165.21	162.51	238.65
8 Vehicles	25.89	807.49	60.00	-	867.49	714.40	-	35.04	749.44	118.05	93.09
Total		30,004.96	1,430.98	-	31,435.93	20,313.90	-	1,468.38	21,782.29	9,653.65	9,691.05

7: Non-Current Investments

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Investments		
Investment in Equity Instruments		
10000 Equity Shares each of ₹ 10 of Adani Enterprises Limited	2,808.93	2,808.93
5000 Equity Shares each of ₹ 10 of Adani Enterprises Limited	1,529.64	1,529.64
	4,338.58	4,338.58
Other Investments		
Investment in Equity instruments		
5500 Equity Shares each of ₹ 25 of Kalupur Co. Op. Bank	137.50	137.50
Total	4,476.08	4,476.08

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Aggregate amount of quoted investments (Market value of 2013-14(Previous Year 2012-13)	5,531.25	3,033.00
Aggregate amount of unquoted investments (Previous Year 2012-13)	137.50	137.50

8 . Long Term Loans and Advances
(Unsecured, considered good)

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Other Deposits	643.37	331.66
Komal Infotech Private Limited	1,842.17	10,713.62
Less: Provision for doubtful deposits	-	-
Total	2,485.54	11,045.28

9. Inventories

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Raw Materials and components (Valued at cost)	13,846.37	15,563.01
Goods-in transit	-	-
	13,846.37	15,563.01
b. Work-in-progress (Valued at cost)	8,347.40	7,234.43
Goods-in transit	-	-
	8,347.40	7,234.43
c. Finished goods		
Internally Manufactured	7,114.31	-
Other than internally manufactured	-	-
Goods-in transit	-	-
	7,114.31	-
Total	29,308.08	22,797.44

10. Trade Receivables

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	17,635.33	5,374.92
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	17,635.33	5,374.92
Total	17,635.33	5,374.92

11. Cash and cash equivalents

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Balances with banks	58.74	57.92
Cash on hand	68.38	45.60
Margin money Deposit	476.43	409.20
Fixed deposit with Bank	2,468.75	586.38
Total	3,072.30	1,099.09

12. Other current assets

₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
Advances to Creditors	128.96	461.32
PLA Excise Deposit	0.43	-
Prepaid Expenses	34.40	255.26
Prepaid BG Commission	740.28	-
RG 23 Balance	2.00	-
Interest Receivable	120.32	56.56
Packing Material Stock	-	855.00
Other assets	0.16	1,988.72
Total	1,026.54	3,616.86

13. Revenue from Operations

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Sale of products;	35,089.01	23,662.53
Sale of services;	22,441.14	15,259.32
Less:		
Excise duty.	2,397.91	3,069.71
Total	55,132.25	35,852.14
Other operating revenues (freight on sales)	221.00	110.35
Total Operating Revenue	55,353.25	35,962.49

14. Other Income

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest Income	1,528.12	641.03
Dividend Income	21.00	35.63
Kasar vatav	(1.31)	3.84
Profit on sale of Asset	-	2,574.73
Sundry Creditors Written back:	-	73.89
Misc. income	166.03	-
Excess Provision Written Back of bonus	-	239.16
Total	1,713.83	3,568.27

15. Cost of Material consumed

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Inventory at the beginning of the year	15,563.01	14,935.61
Add: Purchases	14,359.87	7,423.33
Add: Custom duty & Frieght & Direct Expenses	2,423.32	615.45
	32,346.19	22,974.39
Less: Inventory at the end of the year	13,846.37	15,563.01
Less: Abnormal Losses during the year	-	-
Cost of raw material consumed	18,499.82	7,411.38
Packing Material (if considered as part of Raw Material)	-	-
Other materials (purchased intermediates and components)	-	-
Total	18,499.82	7,411.38

16. Changes in Inventory

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Inventories (At closing)		
Work in Progress	8,347.40	7,234.43
Finished Goods	7,114.31	-
	15,461.71	7,234.43
Inventories(At commencement)		
Work in Progress	7,234.43	1,880.30
Finished Goods	-	-
	7,234.43	1,880.30
Decrease/ (Increase)	(8,227.28)	(5,354.13)

17. Employee Benefits Expense

` in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Bonus	673.02	217.29
Salary Expenses	13,343.22	14,299.82
Directors Remuneration	1,440.00	1,440.00
Security Expenses	114.44	76.32
Staff Training and Welfare Expenses	190.00	220.85
Admin & EDLI Charges	76.87	84.50
Cont. to Providend and other Funds	842.34	911.31
Gratuity Expenses	(49.09)	294.54
Leave Salary Expenses	10.79	184.36
Manpower Service Expenes	-	375.00
Total	16,641.60	18,103.98

18. Finance Cost

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Bank Charges	753.35	88.01
Bank Guarantee Charges	321.73	91.51
Franking Charges	2.45	-
Interest on working capital loan from Banks	3,120.43	2,278.93
Total	4,197.96	2,458.45

19. Other Expenses

₹ in Thousands

Particulars	As at 31st March, 2014	As at 31st March, 2013
Electricity Charges	555.69	589.96
Business Promotion Exp.	1,931.19	112.41
Exhibition Charges	800.20	371.13
Rent Expense	3,042.00	3,642.00
Travelling & Conveyance	1,340.20	1,225.74
Legal & Professional Charges	585.74	1,868.82
Auditors Remuneration	67.00	70.00
Repairs & Maintenance of Plant & Machinery	300.78	170.94
Repairs & Maintenance of Building	36.49	74.17
Bareja Godown renovation	1,586.72	1,751.67
Bad Debts	23.12	-
Water resource project exp.	-	117.59
Foreign travelling exp.	531.86	-
Exchange Rate fluctuation Charges	(504.71)	(12.08)
Insurance Expense	171.07	143.61
Rates, Taxes and Fees	11.65	43.84
Misc. Expense	8,955.12	3,480.95
Total	19,434.12	13,650.74

20. Significant Accounting Policies & Other Notes on Financial Statements:

1. Significant Accounting Policies:

a) Method of Accounting:

The Financial Statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and comply in all material aspects with the applicable accounting standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.

Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the company.

b) Fixed Assets:

Fixed Assets are valued at Historical Cost less Depreciation. Attributable Cost (excluding Cenvat and Vat) and Expenses including borrowing cost for bringing the respective assets to working conditions for their intended use are capitalised.

c) Depreciation:

Depreciation is provided on W.D.V. Method as per the rates prescribed under Schedule-XIV of The Companies Act, 1956. However where rates prescribed under Income Tax Act, 1961, are higher than the rate prescribed by the Companies Act, 1956 then depreciation has been provided as per Income Tax Rates. However, 100% depreciation has been provided in respect of assets costing ` 5000 and below.

d) Valuation of Inventories:

Closing Stock of raw materials, finished and semi finished goods are valued at lower of cost and net realisable value. Cost has been ascertained on Weighted Average basis.

e) Revenue Recognition:

Sale is recognised on dispatch of products and is inclusive of Excise duty, Sales Tax and Packing and forwarding charges.

Service Charges are recognised as income as and when the services are performed and inclusive of service tax.

Dividend income is recognised as and when the right to receive the amount is established and Interest income is recognized on accrual basis.

f) Retirement Benefits:

Contribution to Government Provident/Pension funds are accounted on actual liability basis. Liability in respect of Gratuity and Leave Encashment is provided based on actuarial valuation.

g) Investments:

Long term investment is stated at Cost of Acquisition. Provision for diminution in the value of Long Term Investment is made, only if such decline is other than temporary. Current investments are carried at the lower of cost and Quoted / Fair value.

h) Cash Flow Statement:

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2014 and the related Statement of Profit and Loss for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statement issued by ICAI.

i) Foreign Exchange Transaction :

All Foreign Currency transactions were initially recognised at the rate on the date of transaction. Exchange differences arising on the settlement of monetary items were recognised as income/expenses.

Monetary items and contingent liabilities as on date of Balance Sheet are stated at the closing rate/realistic rate.

j) Borrowing Cost:

Borrowing cost that are directly attributable to the acquisition of qualifying assets are capitalised as part of cost of such assets. A

qualifying assets is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost are charged to revenue.

k) Accounting for Taxes on Income:

Deferred Tax: Deferred income tax is recognised, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The Tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date.

Current Tax: Provision for current income tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

l) Impairment of Assets:

The Management assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of asset is lower than the carrying amount.

m) Provisions and Contingent Liabilities and Contingent Assets:

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognised or disclosed in the financial statements.

n) Operating Lease:

Operating Lease payments are recognised as an expense in the Profit and Loss Account of the year to which they relate.

in Thousands

	2013-14	2012-13
2. Payment to Auditors		
For Audit Services	35.00	35.00
For Tax Audit	15.00	15.00
For Other Capacity	20.00	20.00
Total	70.00	70.00

in Thousands

	2013-14	2012-13
3. Director's Remuneration		
Sanjay B. Attara, Director Salary	960.00	960.00
HRA, Conveyance, LE & PF	480.00	480.00
Total	1,440.00	1,440.00

in Thousands

	2013-14	2012-13
4. Foreign Exchange Transaction		
CIF value of Raw materials	5602.56	2,191.30
CIF value of Capital Goods	-	-
CIF value of Other Imports	-	-
F.E. out go on account of Travel	531.86	94.81
F.E. out go on account of Exhibition	-	-
F.E. out go on account of Other Services	-	-
FOB value of Exports	-	-
Total	6134.42	2,286.11

` in Thousands

5. Contingent Liability:	2013-14	2012-13
BG against Earnest Money Deposit		-
Performance Guarantees	25142.58	3,862.76
BG Against Security Deposit	-	-
BG For free issue of Materials	-	-
Foreign letter of credit	-	-
Financial Guarantee	-	-
Total	25142.58	3,862.76

` in Thousands

6. Earning Per Share	2013-14	2012-13
Total Weighted Avg No. of Shares outstanding at the beginning of the year	187.50	187.50
Weighted Avg. No. of shares issued during the year	-	-
Total Weighted Avg No. of Shares outstanding at the end of the year (used for denominator for calculating EPS)	187.50	187.50
Profit / (Loss) attributable to shareholders	(143.53)	5.20
Basic / Diluted earning per Share (Face Value of ` 100/-)	(0.0008)	-

` in Thousands

7. Deferred Tax:	2013-14	2012-13
In conformity with Accounting Standard 22 on Accounting for Taxes on income Issued by Institute Of Chartered Accountants of India during the year the company has provided for the Net Deferred Tax Assets / Liabilities in the books of accounts.		
Deferred Tax Asset in respect of Gratuity and L.E. which are allowed on the payment basis as per the provisions of The Income Tax act.	86.48	881.32
Less: Deferred Tax Liability in respect of timing difference in depreciation on Fixed Asset	1,416.02	1,513.68
Net Deferred Tax Liabilities at the end of the year	1,329.54	632.36
Less: Net Deferred Tax Liabilities at the beginning of the year	0.63	153.66
Effect on Profit and Loss Account	1,328.91	478.70

8. Related Party Disclosures :

As per the requirement of Accounting Standard 18, Issued by the Companies (Accounting Standard) Rules, 2006, on Related Party Disclosures, the name of the Related Parties with the description of the Relationships and transactions between a reporting enterprise and its related parties, as identified and certified by the management are:

A. Related Parties

(I) GSEC Limited	Holding Company
(II) Komal Infotech Private Limited	Ultimate Holding Company
(iii) Rakesh R. Shah	Director
(iv) Sanjay B. Attara	Director
(v) Shaishav R. Shah	Director

B. Related Party Transactions

	` in Thousands	
	2013-14	2012-13
Rent paid to Mr. Rakesh R. Shah	3000.00	3,600.00
Interest received from Komal Infotech Private Limited	1328.56	513.62
Balance receivable from Komal Infotech Private Limited	1842.17	10,713.62
Remuneration paid to the Director Mr. Sanjay Attara is disclosed above.	1440.00	1,440.00

9. Secured Loans

Working Capital Loan From Bank of Maharashtra against hypothecation of Stocks and Trade Receivables. This facility is further secured by Personal Guarantee of Director Mr. Sanjay Attara and Corporate Guarantee of Komal Infotech Private Limited and GSEC Limited.

10. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

11. Disclosure under Borrowing Cost

Borrowing Cost Capitalised during the period was ` Nil.

12. Foreign Exchange Fluctuations

As per the above stated Accounting Policy, the amount of exchange Difference (Benefit) credited to Profit and Loss Account during the year was amounted to ` 5,04,712.00/- (Previous Year debited ` 12,077.43/-)

13. Retirement Benefit Plans

a) Defined Contribution Plan

The Company makes contribution towards Provident Fund to a defined contribution Retirement Benefit Plan for Qualifying employees. The Provident Fund Plan is operated by the Regional Provident Fund Commissioner. Under the scheme the company is required to contribute a specified percentage of Payroll cost to the Retirement Benefit scheme to fund the benefits.

The Company recognised ` 6,45,209/- (Previous Year ` 6,97,906/-) for Provident fund contribution in the Statement of Profit and Loss. The contribution payable to this plan by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

As per the Payment of Gratuity Act, lump sum payment has to be made to vested employee at retirement, death while in employment or on termination of employment of an amount equivalent to 15 Days Salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of service L. E. is payable as per the rules of the company.

The present value of the defined benefit obligation and the related current service cost were measured using projected Unit Credit Method with actuarial valuation being carried out at each balanced date.

The following table sets out the status of the Defined Benefit obligation and the amount recognised in the Company's Financial Statements as at 31st March, 2014.

l) Gratuity : ` in Thousands

a) Change in benefit obligations:	2013-14	2012-13
Present value of the obligation as at the beginning of the year	2,255.00	2,008.47
Interest Cost	178.08	163.72
Current service Cost	147.08	201.44
Benefits Paid/Payable	(166.65)	(48.00)
Actuarial (Gain)/Loss on obligations	(374.24)	(70.62)
Present value of the obligation as at the end of the year	2,039.27	2,255.00

ii) Leave Encashment:

` in Thousands

a) Change in benefit obligations:	2013-14	2012-13
Present value of the obligation as at the beginning of the year	597.18	422.84
Interest Cost	45.90	34.47
Current service Cost	76.72	78.15
Benefits Paid	(74.94)	(10.03)
Acturial (Gain)/Loss on obligations	(111.82)	71.74
Present value of the obligation as at the end of the year	533.04	597.18

c) Change in Plan Assets:

The Company has not invested in/ contributed to any fund, plan and scheme in respect of the amount payable. Hence the information could not be provided.

d) Expenses recognised during the year for Gratuity & Leave Encashment

` in Thousands

	2013-14	2012-13
Current Service Cost	223.80	279.59
Interest Cost	223.98	198.19
Net Acturial (Gain)/Loss Recognised in the year	(486.06)	1.12
Net Cost/Benefit	(38.28)	478.90

e) Assumptions used in accounting for Gratuity & Leave Encashment

Discount Rate	9.00%	8.20%
Salary Escalation Rate	6.00%	6.00%

14. Balances under Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances Payable/Receivable are subject to confirmation and reconciliation.
15. Certain items in the comparative figures have been reclassified to confirm to the current years classification.
16. In the opinion of the Board, except as otherwise stated, the current assets and loans and advances have a value on realization atleast equal to amounts at which they are stated in the Balance Sheet.
17. As per the requirement of Schedule VI of the Companies Act, 1956, the amounts of financial statements have been rounded off to the nearest Thousands of Rupees. Hence, the differences in total and sub-total of some items are inevitable.

As per our attached report of even date
For BJS & Associates
Chartered Accountants
Firm Registration No. 113268W

Apurv Shah
Partner
M.No. 106016

Date: 4th August, 2014
Place : Ahmedabad

For and on behalf of the Board

Rakesh Shah
Director

Sanjay Attara
Director

Date: 4th August, 2014
Place : Ahmedabad



Notice of the 48th AGM



NOTICE

NOTICE is hereby given that the 48th Annual General Meeting ("the Meeting") of the Members of GSEC Limited will be held on Monday, the 15th day of September, 2014 at 11.00 am at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended on that day together with the Directors' Report and the Auditors' Report thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Shri Samir H. Mankad (DIN: 00421878), who retires by rotation and being eligible seeks re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, and such other applicable provisions as may be applicable from time to time, M/s. BJS & Associates (ICAI firm registration number 113268W), Chartered Accountants, Ahmedabad, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration and reimbursement of out of pocket expenses for the purpose of audit as may be approved by the Board of Directors."

SPECIAL BUSINESS:

5. Re-appointment of Shri Rakesh R. Shah as a Chairman and Managing Director of the Company:

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution -

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and Articles of Association of the Company, the consent of the shareholders of the Company be and is hereby accorded for the re-appointment of Shri Rakesh R. Shah (DIN: 00421920) as the Chairman and Managing Director of the Company, not liable to be retire by rotation, for a period of 3 (Three) years with effect from November 23, 2013 on the terms and conditions, including remuneration and perquisites as provided in the explanatory statement.

RESOLVED FURTHER THAT pursuant to applicable provisions of the Act, the said remuneration and perquisites be paid/extended to Shri Rakesh R. Shah, Chairman and Managing Director, as minimum remuneration in the event of there being loss or inadequacy of profits.

RESOLVED FURTHER THAT the Board of Directors or any committee thereof be and is hereby authorised to amend, alter, modify or otherwise vary the terms and conditions of appointment of Shri Rakesh R. Shah, Chairman and Managing Director, including the components of the remuneration and perquisites payable to him subject to the highest overall cap of the scale of remuneration as contained in the explanatory statement."

6. Re-appointment of Shri Samir H. Mankad as a Whole-time Director of the Company:

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution -

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and Articles of Association of the Company, the consent of the shareholders of the Company be and is hereby accorded to re-appoint Shri Samir H. Mankad (DIN: 00421878) as the Whole-time Director of the Company, liable to be retire by rotation, for a period of 3 (Three) years with effect from April 01, 2014 on the terms and conditions, including remuneration and perquisites as provided in the explanatory statement.

RESOLVED FURTHER THAT pursuant to applicable provisions of the Act, the said remuneration and perquisites be paid/extended to Shri Samir H. Mankad, Whole-time Director, as minimum remuneration in the event of there being loss or inadequacy of profits.

RESOLVED FURTHER THAT the Board of Directors or any committee thereof be and is hereby authorised to amend, alter, modify or otherwise vary the terms and conditions of appointment of Shri Samir H. Mankad, Whole-time Director, including the components of the remuneration and perquisites payable to him subject to the highest overall cap of the scale of remuneration as contained in the explanatory statement."

7. Appointment of Shri Chinubhai R. Shah as an Independent Director of the Company:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution -

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act, as amended from time to time, Shri Chinubhai R. Shah (DIN: 00558310), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 15, 2014 up to September 14, 2019."

8. Appointment of Shri Natwarlal M. Patel as an Independent Director of the Company:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution -

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act, as amended from time to time, Shri Natwarlal M. Patel (DIN: 00027540), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 15, 2014 up to September 14, 2019."

9. Appointment of Shri Bhalabhai C. Patel as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act, as amended from time to time, Shri Bhalabhai C. Patel (DIN: 00373088), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 15, 2014 up to September 14, 2019."

10. Appointment of Shri Shyamal S. Joshi as an Independent Director of the Company:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act, as amended from time to time, Shri Shyamal S. Joshi (DIN: 00005766), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 15, 2014 up to September 14, 2019."

11. Authorisation to the Board of Directors for borrowing money u/s 180(1) (c) of the Companies Act, 2013:

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Resolution passed at the Annual General Meeting of the shareholders of the Company held on August 28, 2010 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, banks or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 150,00,00,000 (Rupees One Hundred Fifty Crores only)."

12. Authorisation to the Board of Directors to mortgage/hypothecate the property(ies) of the Company u/s 180(1)(a) of the Companies Act, 2013:

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution -

"RESOLVED THAT in supersession of the Resolution passed at the Extra-ordinary General Meeting of the shareholders of the Company held on January 8, 2005 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), to the Board of Directors of the Company to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable or immovable properties, both present and future, of the Company, wherever situate, and/or whole or substantially the whole of the undertaking or undertakings of the Company and/or conferring power to enter upon and take possession of the assets of the Company together with power to take over the management of the business and concern of the Company in certain events of default, in favour of any financial institution/s, any other institutions, banks, bodies corporate, agents, trustees or any other person for securing any loan obtained/to be obtained (in foreign currency and/or rupee currency), monies borrowed/to be borrowed and debentures or any other securities issued/to be issued together with interest, compound interest and/or additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other monies payable by the Company to the lender/s with such ranking or in such form and manner as the Board of Directors may agree for the purpose of securing the deposits accepted, the monies borrowed or debentures or other securities issued, as the case may be.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution."

13. Authorisation to the Board of Directors to contribute to bona fide and charitable funds u/s 181 of the Companies Act, 2013:

To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 181 of the Companies Act, 2013 and other provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby granted to the Board of Directors to contribute, donate, subscribe or otherwise provide assistance from time to time to any charitable, public, social, benevolent or general fund, society, association, Institutions, trust, organization, not directly relating to the business of the Company or the welfare of its employees, for taking up any programme, activities of social, cultural, educational, economic, rural development of people at large and/or incur any expenditure on their behalf, up to an amount not exceeding ₹ 20,00,000/- (Rupees Twenty Lacs only) in any financial year notwithstanding the fact that said amount may exceed 5% of the

Company's average net profit as determined in accordance with the provisions of section 198 of the Companies Act, 2013 during the three immediately preceding Financial Years."

14. Authorisation to the Board of Directors for making Loans and Advances u/s 186 of the Companies Act, 2013:

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Resolution passed at the Extra-ordinary General Meeting of the shareholders of the Company held on January 8, 2005 and pursuant to the provisions of Section 186 of the Companies Act, 2013 and other provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), in accordance with the provisions of Memorandum and Articles of Association of the company, and subject to such other approvals, consents, sanctions and permissions as may be required, consent of the members of the Company be and is hereby granted to the Board of Directors to make/give from time to time, any loan(s)/advance(s)/deposit(s)/investment(s) in shares, debentures, and/or other securities and to give, on behalf of the company, any guarantee(s) and/or provide any security in connection with any loan or loans made by any other person to, or to any other persons by, another Person(s)/Companies/Body Corporate(s) which shall be subject to aggregate limit of ₹ 25,00,00,000/- (Rupees Twenty Five Crores only) notwithstanding that such further investments, granting loans and providing corporate guarantee / security may, individually/in aggregate any time exceed 60% of the paid up share capital and its free reserves of the Company or 100% of its free reserves, whichever is more.

RESOLVED FURTHER THAT the aforesaid loans/investments shall be made by the company out of internal resources or in such other manner and in such proportion as the Board thinks appropriate provided in case of loans, the interest rate(s) shall not be lower than the prevailing yield of 1 year, 3 year, 5 year or 10 year Government Security closest to the tenor of such loan(s).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the company and generally to do all acts, deeds and things as may be necessary, proper expedient or incidental to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby further authorised to determine actual sums to be involved in the proposed transactions and terms and conditions thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds and things as may be necessary, proper expedient or incidental to give effect to this resolution."

By order of the Board of Directors,
For GSEC Limited,

Date : 6th August, 2014
Place : Ahmedabad

Viral Mehta
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

A proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. Company has fixed 15.09.2014 as record date for the purpose of determining the entitlement of dividend.
4. Members are requested to notify any change of address to the Company's Registrar and Share Transfer Agent - M/s Sharepro Services (I) Private Limited, Office No. 416 - 420, 4th Floor, Devnandan Mega Mall, Opp Sanyas Ashram, Ashram Road, Ahmedabad - 380 006.
5. Those members who have not yet encashed their dividend warrants for the previous years may refer the matter along with relevant details to the Company Secretary at the Registered Office of the Company.
6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the Company Secretary at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
8. Kindly bring your copy of the Annual Report to the meeting.
9. The members / proxies should bring the attendance slip sent herewith for attending the meeting.
10. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or e-mail their grievances/queries to the e-mail address: viral.mehta@gsecl.co.in
11. Details of Director seeking re-appointed at the 48th Annual General Meeting:

Name	Shri Samir H. Mankad
Date of Birth	13-07-1960
Date of Appointment as Director in the Company	08-03-2004
Qualifications	B.E. (Mechanical), M.B.A.
Expertise in functional area	Air Cargo operations, Logistics and allied services
Directorship in other Companies *	1. GSEC Logistics Limited 2. GSEC Aviation Limited
Membership of Committee of Other Companies*	NIL
No. of shares held	NIL

* As per the Notice of disclosure received from the concerned director.

By order of the Board of Directors,
For GSEC Limited,

Date : 6th August, 2014
Place : Ahmedabad

Viral Mehta
Company Secretary

ANNEXURE TO THE NOTICE

Pursuant to Section 102 of the Companies Act, 2013 (the "Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item nos. 5 to 14 of the accompanying Notice.

Item No. 5:

Shri Rakesh R. Shah has been the key person in taking over of the then Gujarat State Export Corporation Limited in 2004 and serving as the Chairman and Managing Director of the company since then. He is having over 40 years of business experience in varied areas. Shri Shah steered an ailing government company after its privatization to a profitable company in two short years and achieved a compounded annual growth rate (CAGR) of over 20% in the business.

The Board of Directors, considering the proven track record, unmatched knowledge and expertise of various aspects relating to the Company's affairs and long business experience, is of the opinion that for smooth and efficient running of the business, services of Shri Rakesh Shah should be available to the Company for a further period of three years with effect from November 23, 2013.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Board of Directors, vide its resolution dated 18.09.2013 has re-appointed Shri Rakesh R. Shah as the Chairman and Managing Director on revised terms and conditions for a further period of three years with effect from 23rd November, 2013 as per the recommendation made by the Remuneration Committee.

Considering the performance of the said Director, the Board recommends his re-appointment in best interests of the Company.

Your Directors recommend passing of the said resolution.

None of the Director or Key Managerial Personnel of the Company is interested in the said resolution except Shri Rakesh R. Shah, being the concerned appointee and Shri Shaishav R. Shah, being his relative.

Item No. 6:

Shri Samir H. Mankad has been serving as the Whole-time Director; designated as Executive Director, since the acquisition of the Company from the then Government of Gujarat in 2004. Shri Mankad holds B.E. (Mechanical) - M.B.A. and has 30 years of long standing industrial experience. He looks after Air Cargo operations at all the Air Cargo Complexes of the Company very closely. Having long and successful years of experience in diversified projects management, Logistics, MIS, HR and other top management areas, he has gained a distinct knowledge and managerial skills.

The Board of Directors, considering the proven track record, in depth understanding and management expertise relating to the Company's operations, is of the opinion that for smooth and efficient running of the business, services of Shri Samir Mankad should be available to the Company for a further period of three years with effect from April 01, 2014.

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors, vide its resolution dated 22.03.2014 has re-appointed Shri Samir H. Mankad as the Whole-time Director on revised terms and conditions for a further period of three years with effect from 1st April, 2014 as per the recommendation made by the Remuneration Committee.

Your Directors recommend passing of the said resolution.

None of the Director or Key Managerial Personnel of the Company is interested in the said resolution except Shri Samir H. Mankad, being the concerned appointee.

Statement of Particulars (Item Nos. 5 and 6)

(Pursuant to Schedule V of the Companies Act, 2013)

I. General Information:

1. Nature of Industry:

Air Cargo Services, export and trading activities.

Main operations of the Company consist of the handling of the air cargo and allied services as per the licence awarded by the Airports

Authority of India. Currently, the Company holds such licences to operate at the Ahmedabad, Indore and Visakhapatnam (Under O&M) Airports. The Company is also into the trade of varied products mainly being the petroleum products nationally and internationally.

2. Date or expected date of commencement of commercial activities:

Not applicable as the Company has already undertaken the commercial activities long back.

3. The Company is not a new Company.

4. Financial performance:

Particulars	` in Lacs		
	Year ended (Audited) 31-03-14	Year ended (Audited) 31-03-13	Year ended (Audited) 31-03-12
1. Net Income	35,329.83	24,275.12	20,805.49
2. Profit/(loss) Before Tax	351.50	294.61	306.39
3. Net Profit/ (loss) After Tax	227.20	206.15	225.30

5. Export performance and net foreign exchange collaborations:

Export earnings (In Foreign Exchange) were ` 25.99 Lacs during the financial year 2013-2014.

6. There is no foreign investment in the Company and the Company has not entered into any foreign collaboration.

II. Information about the appointees:

1. Shri Rakesh R. Shah –

Sr. No.	Particulars	Details
1	Background details	Shri Rakesh Shah is a commerce graduate from the Gujarat University. At a very young age he involved himself in the varied businesses; mainly commodity trading. Early achievements made Shri Shah so confident that it was never looking back for him since then. He has been involved in many different businesses under different enterprises which he steered successfully. At present, he serves as the Chairman and Managing Director of the Company.
2	Past remuneration	` 3,00,000/- per month
3	Recognition or awards	President of the Gujarat Chamber of Commerce and Industry
4	Job profile and his suitability	The Chairman steers the Board of Directors and assures the smooth running of the Board Proceedings and the Company as a whole. The Managing Director shoulders the responsibility of the overall management and administration of the company under supervision and control of the Board of Directors. Shri Rakesh Shah shoulders the responsibilities of Chairman and Managing Director since the acquisition of the Company. His continuous dedication and perseverance towards achieving excellence has been the motivating force behind the turnaround story of GSEC Limited. The Board has showed trust in Shri Rakesh Shah to be the most suitable candidate for the post of Chairman and Managing Director of the Company.

5	Tenure of office	23rd November, 2013 to 22nd November, 2016
6	Remuneration proposed	<p>Remuneration of Shri Rakesh Shah shall consist of:</p> <p>(A) Salary: ₹ 3,00,000 (Rupees Three lacs only) per month in the scale of ₹ 3,00,000 – 20,000 – 5,00,000. The Board may give one or more increments depending upon performance, working of the Company etc.</p> <p>(B) Perquisites: In addition to the salary as described in (A) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.</p> <p>i) Medical Reimbursement: Expenses incurred for self and his family subject to a ceiling of ₹ 24,000/- per year or ₹ 72,000/- over a period of three years.</p> <p>ii) The Company shall provide telephone at the residence of the Managing Director for official purpose. Personal calls shall be billed by the Company.</p> <p>iii) The Managing Director shall be entitled to fully paid leave as per the Company's rules. Encashment of leave at the end of the tenure is permitted.</p> <p>iv) The Company shall provide a car for official purpose.</p> <p>v) Provident Fund: The Company shall contribute as per the Company's Rules as applicable.</p> <p>vi) Gratuity: The Company shall pay gratuity as per the Company's rules.</p> <p>vii) He will be entitled to all other benefits as applicable to the Executive Directors of the Company as per the policy of the company laid down by the HR Department from time to time.</p>
7	Comparative remuneration profile with respect to industry, size of the company,	Being in a service industry with the responsibility entrusted by the Government with no direct competitor, no such statistics is available or can be framed out.
8	Profile of the position and person	It is covered under point nos. 1 and 4.
9	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Shri Rakesh Shah is one of the promoter and shareholder of the company. In the capacity of being the Managing Director, he has furnished his personal guarantee to the bankers of the company. There is no other pecuniary relationship of Shri Rakesh Shah with the Company or any Key Managerial Personnel to be reported.

2. Shri Samir H. Mankad

Sr. No.	Particulars	Details
1	Background details	Shri Samir Mankad is a Mechanical Engineer and holds an M.B.A. He has on his credit a long and successful years of experience in diversified projects management, MIS, HR and other top management areas. He was serving Adani Group, a nationally renowned and diversified group for more than 5 years on a key managerial position. He is serving the Company as a Whole-time Director designated as an Executive Director since 2004.
2	Past remuneration	` 1,50,000/- per month
3	Recognition or awards	NIL
4	Job profile and his suitability	<p>The Whole-time Director devotes his/her full time to one company and shoulders the responsibility towards the executive decision making and overall management and administration of the core operations. He also assists the Managing Director in the overall management and administration of the Company as and when needed.</p> <p>Shri Samir Mankad shoulders the responsibilities of Whole-time Director since the acquisition of the Company. His in depth understanding of the air cargo operations and logistics services of the company has strengthened the brand of the company among all the stakeholders. The Board has continuously entrusted him with the responsibility of the whole-time director throughout his career with the Company.</p>
5	Tenure of office	1st April, 2014 to 31st March, 2017
6	Remuneration proposed	<p>Remuneration of Shri Samir Mankad shall consist of:</p> <p>(A) Salary:</p> <p>Salary plus allowances with different breakup be revised and payable monthly / yearly basis within overall limit of yearly package not exceeding of ` 24,00,000/-, subject to ceiling of the managerial remuneration for each year. The Annual Increment shall be decided by the Chairman and Managing Director of the Company.</p> <p>(B) Perquisites:</p> <p>In addition to the salary as described in (A) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.</p> <p>i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</p> <p>ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.</p> <p>iii) Encashment of leave at the end of the tenure.</p>

		<p>iv) Personal Car for official use and purpose shall be provided by the Company. Driver and Fuel Reimbursement shall be made.</p> <p>v) He will be entitled to all other benefits as applicable to the Executive Directors of the Company as laid down by the HR Department from time to time.</p>
7	Comparative remuneration profile with respect to industry, size of the company,	Being in a service industry with the responsibility entrusted by the Government with no direct competitor, no such statistics is available or can be framed out.
8	Profile of the position and person	It is covered under point nos. 1 and 4.
9	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Shri Samir Mankad holds NIL shares in the company. There is no pecuniary relationship of him with the Company or any Key Managerial Personnel to be reported.

III. Other Information:

1. Reasons of loss or inadequate profits:

The Company's main operations i.e. air cargo handling and allied services are completely dependent on the imports and exports in and out of the state which are further dependent on the local and external environment. The Company is very prone; even to the small fluctuations in national and international economy.

Moreover, there is a direct involvement of the Government of India, through its various authorities and departments in the operations of the company. The handling and other service charges are decided directly by the concerned Department which naturally are highly customer friendly and hence render little room for the profitability for the company. Further, there are pretty high maintenance and operations costs has to be borne by the company mainly due to constantly increasing Government Royalty, space rent and other maintenance costs incurred for the latest high capacitive machineries and tools.

The trading business of petro chemicals, bitumen etc is also restricted to the number of industrial customers which are unlikely to fluctuate much. Hence, there is little room to increase the reach of the company to the whole new levels in short to medium term.

Further, due to constant increase in lending rates by banks, the burden of interest on the company has significantly gone up.

2. Steps taken or proposed to be taken for improvement:

After acquiring the Company from the then Government of Gujarat, lot has gone into redefining, restructuring and improving the operations of the Company. The company has been now stabilized and has reached to the new level of growth thanks to the diversified businesses taken up and the team efforts of the new management.

The new air cargo complex with 8X capacity to handle the air cargo against the existing one has been built. Latest technology has been introduced and the operations has been completely redefined and made more customer friendly. The result being the company has been able to register tremendous growth in operations and profitability in few years. The company has continued to right size its employee base to current level of operations.

The management of the Company constantly looks after and categorizes the new avenues of businesses to add profitability. The Company has also been moderate to aggressive in taking up the marketing efforts to increase its operations. The Company continues to focus on the quality of the services provided, upholding of its high business values, increase in its cost competitiveness and on widening of its distribution network. The Company is expected to achieve new heights in terms of volume of operations and profitability in years to come.

3. Expected increase in productivity and profits in measurable terms:

As already mentioned in Point no.1, being dependent on the external factors in terms of the main operations of the company, it is hard to project the future operations and profits. However, there is a strong content and dedication of the management of the company to register the growth in terms of increase in operations as well as the profitability of the Company on a year to year basis.

Item Nos. 7 to 10:

The members of the Company had appointed Shri Chinubhai Shah, Shri Natwarlal Patel, Shri Bhalabhai Patel and Shri Shyamal Joshi as Directors of the Company.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (the "Act"), which came in to effect from April 1, 2014, every class of public company as prescribed under the Act is required to have at least 2 directors as Independent Directors, who shall not be liable to be retire by rotation.

All the appointee directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfills the conditions specified in the Act and the Rules framed there under for their appointment as Independent Directors on the Board of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 7 to 10 except the appointee directors themselves.

Brief profile and justification for appointing Independent Directors (Pursuant to Section 150(2) of the Act)

Shri Chinubhai R. Shah :

Shri Chinubhai Shah is M.A. with first position from Gujarat University and a gold medalist having obtained first position in LL.M. examination with distinction. He was subsequently admitted as a fellow member of the ICSI. Life fellowship was conferred on him by all India Management Association in recognition of his outstanding contribution to the professional management movement. In a career spanning more than 35 years, he has held top position in Industry and held directorship in many well- known companies. He taught at the IIM, Ahmedabad regular MBA classes for more than 12 years and was a member of the Board of Governors of IIM, Ahmedabad. He has also served as president of the Gujarat Chamber of Commerce and industry. He had also served on the Direct Tax advisory committee of the Ministry of Finance and Company Law Advisory committee of Government of India.

Shri Natwarlal M. Patel:

Shri Natwarlal Patel is born and brought up in an industrial family. He obtained Master in Chemistry and has vast years of experience in dyes, pigments and agrochemical industry. He is one of the co-founders and a partner of M/s Gujarat Industries and currently he is the chairman of the esteemed Meghmani Group of Companies.

The unmatched industrial expertise and vast operational and managerial guidance has always been received by Shri Patel which has contributed to the growth of the Company to a great extent. The Board of thinks the appointment of Shri Patel will add great value and a clear dimension to the continued growth of the Company.

Shri Bhalabhai C. Patel:

Shri Bhalabhai Patel is well-known personality amongst business communities of the Gujarat state. He is one of the founders of the esteemed Karnavati Club at Ahmedabad. An added reason what makes him an eminent persona is that he makes every effort to reach the

compassion to humanity for the noble cause. Such trait enabled him to work together with diverse dignitaries from varied walks of life. He has an experience of 50 years in multiple capacities, which is rationally accepted by all corners.

There has been a great association of Shri Bhalabhai since last 7 years and his kind guidance and simple persona have always guided the Board in overall betterment of the Company and all the stakeholders. The Board of the Company is of the opinion that having Shri Patel as Director will enhance the overall working functioning of the board proceedings and the Company as a whole.

Shri Shyamal S. Joshi:

Shri Shyamal Joshi is known as an object oriented person within finance professionals of Gujarat. He is Chartered Accountant by profession and has worked with various reputed groups such as Adani, Shalby, Hospitals, Loxim Industries etc as a Director. At GSEC Limited he looks after the financial discipline and MIS sphere of the business which helps organisation maintain its financial strength and viability. With his enormous knowledge of finance planning and investment management, the Company has been able to mitigate its financial risk and achieved financial stability.

Item Nos. 11 and 12:

The members of the Company at their Annual General Meeting (Held on August 28, 2010) and Extra-ordinary General Meeting (Held on January 8, 2005), had authorised the Board of Directors to exercise borrowing powers, the outstanding amount of which at any time shall not exceed in the aggregate ₹ 100,00,00,000 (Rupees One Hundred Crores) in excess of and in addition to the paid-up share capital and free reserves of the Company for the time being and to create charge on all or any of the movable or immovable properties of the Company in favour of lenders subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, respectively.

Section 180 of the Companies Act, 2013, effective from September 12, 2013, requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the Company's paid up share capital and free reserves and to create charge on all or any of the movable or immovable properties of the Company.

In view of future planning for increase in the borrowing limits, it would be necessary to get the fresh approval by way of Special Resolution under Section 180(1)(c) and Section 180 (1)(a) and other applicable provisions of the Companies Act, 2013. Hence, necessary resolutions have been proposed. The Board recommends these resolutions for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11 and 12.

Item No. 13:

We believe that being a part of the collective society we are operating in, it shall be our duty to contribute to the betterment of all the parts of the society. Hence, it is an endeavor of the management of the company to contribute to any such public, charitable and social funds which seek to enhance the value of life of people and the society as a whole as it may be appropriate.

As per the provisions of Section 181 of the Companies Act, 2013 ("the Act"), the Company can not, without obtaining the previous approval of the shareholders of the Company, contribute to any bona fide, charitable and other funds exceeding 5% of the Company's average net profit as determined in accordance with the provisions of Section 198 of the Companies Act, 2013 during the three immediately preceding Financial Years.

It is therefore proposed to obtain the approval of members of the Company authorizing Board of Directors to contribute an amount up to ₹ 20,00,000/- (Rupees Twenty Lacs only) in any financial year, to any charitable, public, social, benevolent or general fund, society, association, institutions, trust, organization, not directly relating to the business of the Company or the welfare of its employees, for taking up any programme, activities of social, cultural, educational, economic, rural development of people at large notwithstanding the fact that the said amount may exceed the prescribed limits

The Directors recommend the resolution for approval of the shareholders as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the

resolution set out at Item No. 13.

Item No. 14:

The members of the Company at their Annual General Meeting (Held on August 28, 2010) and Extra-ordinary General Meeting (Held on January 8, 2005), had authorised the Board of Directors to make loans to, provide guarantees/securities to and make investments in the securities of other persons/bodies corporate for an amount not exceeding ` 10,00,00,000 (Rupees Ten crores only) in excess of and in addition to the limits specified in Section 372A of the Companies Act, 1956.

According to the provisions of Section 186 of the Companies Act, 2013 ("the Act"), company can make loans to, provide guarantees/securities to and make investments in the securities of other persons/bodies corporate to the extent of 60% of its paid-up share capital and free reserves and security premium account or 100% of its free reserves and security premium account, whichever is higher, with the approval of the Board of Directors. Where aggregate of loans and investments made, guarantees given and securities provided exceeds the limits prescribed above, prior approval of the shareholders is required by way of Special Resolution.

The Company has been able to achieve and maintain its growth levels only due to scaling through the new avenues for increasing its revenue and income. The Company is constantly exploring various opportunities for its expansion and growth. The same can be achieved by direct initiatives of the Company or joining hands with holding/subsidiary/associate/joint venture companies or other persons/bodies corporate, for which it is required to provide the necessary financial support by way of providing loans/guarantees/securities or making investment in securities of any persons/bodies corporate. It is necessary to achieve financial flexibility and speedy execution of the decisions.

It is therefore proposed that the Board of Directors be authorised to invest by subscribing/purchasing the securities, granting of loans, giving of guarantees and/or providing securities for an amount not exceeding ` 25,00,00,000 (Rupees Twenty Five crores only) from time to time, in/to one or more of the persons/entities i.e. subsidiaries/holding/joint ventures/associate companies/other bodies corporate.

The proposal outlined above would be in the best interests of the Company and accordingly your Directors recommend the resolution for approval of the shareholders as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 14.

By order of the Board of Directors,
For GSEC Limited,

Date : 6th August, 2014
Place : Ahmedabad

Viral Mehta
Company Secretary

GSEC Limited

CIN: U52100GJ1965PLC001347

Regd. Office: Gujarat Chambers Building, Ashram Road, Ahmedabad – 380 009, Gujarat

Phone: +91-79-2655 4100 / 2657 5757 / 2658 5757 Fax: +91-79-26584040

Email: info@gsecl.co.in, Web: www.gsecl.co.in

ATTENDANCE SLIP

I hereby record my presence at the 48th Annual General Meeting of the Company on Monday, 15th day of September, 2014 at 11.00 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad – 380 009, Gujarat.

Full name of the Member: _____

Folio No: _____ DP ID No.: _____

No. of shares held: _____

Full name of the Proxy: _____

Member's /Proxy's Signature: _____

Note: Please complete the Folio / DP ID-Client No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

GSEC Limited

CIN: U52100GJ1965PLC001347

Regd. Office: Gujarat Chambers Building, Ashram Road, Ahmedabad – 380 009, Gujarat

Phone: +91-79-2655 4100 / 2657 5757 / 2658 5757 Fax: +91-79-26584040

Email: info@gsecl.co.in, Web: www.gsecl.co.in

PROXY FORM

FORM NO. 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 of the Member (s): _____

Registered Address: _____

E-mail Id: _____

Folio / DP ID: _____

I /We being the member (s) holding Shares of the above named Company hereby appoint:

(1) Name: _____

Address: _____

Email ID: _____ Signature: _____ or failing him / her:

(2) Name: _____

Address: _____

Email ID: _____ Signature: _____ or failing him / her:

(3) Name: _____

Address: _____

Email ID: _____ Signature: _____ or failing him / her:

as my /our proxy to attend and vote (on a poll) for my / our behalf at the 48th Annual General Meeting of the Company to be held Monday, 15th day of September, 2014 at 11.00 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad – 380 009, Gujarat and at any adjournment thereof in respect of resolutions as are indicated below:

ORDINARY BUSINESS

1. Adoption of Financial Statements for the year ended 31st March, 2014.
2. Declaration of Dividend on equity shares for the financial year ended 31st March, 2014.
3. Re-appointment of Shri Samir H. Mankad, Director, who retires by rotation.
4. Re-appointment of M/s. BJS & Associates, Chartered Accountants, Ahmedabad, as Statutory Auditors.

SPECIAL BUSINESS

5. Re-appointment of Shri Rakesh R. Shah as a Chairman and Managing Director.
6. Re-appointment of Shri Samir H. Mankad as a Whole-time Director.
7. Appointment of Shri Chinubhai R. Shah as an Independent Director.
8. Appointment of Shri Natwarlal M. Patel as an Independent Director.
9. Appointment of Shri Bhalabhai C. Patel as an Independent Director.
10. Appointment of Shri Shyamal S. Joshi as an Independent Director.
11. Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for authorising the Board of Directors to borrow the monies for an amount not exceeding ` 150 Crores.
12. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for authorising the Board of Directors to create a mortgage / charge on the movable and immovable properties of the Company.
13. Authorisation to the Board of Directors to contribute to bona fide and charitable funds u/s 181 of the Companies Act, 2013, for an amount not exceeding ` 20 Lacs.
14. Authorisation to the Board of Directors for making Loans and Advances u/s 186 of the Companies Act, 2013, for an amount not exceeding ` 25 Crores.

Signed this _____ day of _____ 2014.

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

Affix a
Revenue
Stamp
of ` 1

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. Appointing the proxy does not prevent a shareholder from attending the meeting in person if he so wishes.
4. Please complete all details including details of member (s) in the above box before submission.



Air Cargo Custodian at



Sardar Vallabhbhai Patel
International Airport
Ahmedabad, Gujarat



Devi Ahilyabai Holkar Airport
Indore, Madhya Pradesh



Visakhapatnam Airport
Vizag, Andhra Pradesh

Trading Business of



Bitumen



Petro Products



Dyes and Chemicals

**GSEC
Logistics Limited**



Developing Inland Container Depot
at Ratlam, Madhya Pradesh

**GSEC
Green Energy Pvt. Ltd.**



Tyre Pyrolysis Plant
Ratlam, Madhya Pradesh

**Komoline
Aerospace Limited**



Electronics Manufacturing Services
Ahmedabad, Gujarat

**GSEC
Aviation Limited**



Aviation Services Provider
Ahmedabad, Gujarat



Regd. Office :

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Ph.: +91-79-2655 4100 / 2657 5757 / 2658 5757, Fax: +91-79-2658 4040 E-mail: info@gsecl.co.in

Ahmedabad :

Air Cargo Complex, Old Airport, Ahmedabad - 380 012.
Ph.: +91-79-2286 4747 / 2323, Fax: +91-79-2286 4646

Indore :

DABH Airport, Indore. Ph.: 0731-2629200 / 2629300 / 2629400

Vishakhapatnam :

C/o Andhra Pradesh Trade Promotion Corporation Limited, D.C.C.B Bldg, NH-5 Road, VUDA Layout, Marripalem,
Vishakhapatnam - 530009. Phone : 0891-279419

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