



Annual Report  
**2015-16**

# GSEC



The journey of a  
thousand miles begins with  
**one step**



# UNVEILING OUR NEW IDENTITY



The inspiration behind the design of GSEC identity is "colours".

Every colour, when used in the vicinity of a different colour can produce infinite possibilities and dynamic vibrancy. Same is the case with GSEC, as you can explore infinite commercial opportunities and possibilities at GSEC. This dynamic scenario is represented strongly by the use of vibrant colours. Also, the tiny coloured triangles shown in motion represents this motion and fluidity. The base colour black is used to connote strong commitment and bold vision.

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

#### Executive Directors

Mr. Rakesh Shah	-	Chairman and Managing Director
Mr. Samir Mankad	-	Whole-time Director
Mr. Shaishav Shah	-	Whole-time Director
Ms. Raji Shah	-	Whole-time Director (Appointed as on 01.04.2016)

#### Non-executive/Independent Directors

Mr. Chinubhai Shah	-	Director
Mr. Natwarlal Patel	-	Director
Mr. Bhalabhai Patel	-	Director
Mr. Sandip Parikh	-	Director (Appointed as on 17.02.2016)

### BOARD COMMITTEES:

#### Audit Committee

Mr. Sandip Parikh  
Mr. Chinubhai Shah  
Mr. Bhalabhai Patel  
Mr. Samir Mankad

#### Nomination and Remuneration Committee

Mr. Chinubhai Shah  
Mr. Bhalabhai Patel  
Mr. Natwarlal Patel

#### Share transfer and Grievances Committee

Mr. Chinubhai Shah  
Mr. Rakesh Shah  
Mr. Samir Mankad

### COMPANY SECRETARY:

Mr. Chintan Patel (Appointed as on 02.05.2016)

### 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.  
Phone: 079 – 26575757, 079-26585757  
Fax: 079-26584040  
Website: www.gsecl.co.in  
E Mail: cs@gsecl.co.in

#### Registrar and Share Transfer Agent

Bigshare Services Private Limited  
A/802, Samudra Complex, Near Klassic Gold Hotel,  
Grish Cold Drink Cross Road, Off C G Road,  
Ahmedabad-380009.  
Phone: 079 – 40024135  
Website: www.bigshareonline.com  
E Mail: bssahd@bigshareonline.com

### BANKERS:

DCB Bank Limited

State Bank of India

## Chairman Message



“ At GSEC, A lot has changed, a lot remains the same, the outlook is moderate, and we remain committed to our strategy for driving growth by enhancing our services portfolio and market penetration. ”

Dear Fellow Shareowners,

It gives me immense pleasure to write to you after a challenging but satisfactory year. The global economic scenario remained weak during the year under review. Although India has emerged as one of the fastest growing major economies in the world, its growth was muted and uneven on account of various factors like policy reform setbacks, insufficient rainfall, stress in the Indian banking sector and lack of private sector investments, amongst others. This in turn affected the growth and profitability of companies across sectors.

Despite challenging economic and geopolitical conditions, our Company has continued to maintain its top performance across its businesses of Air Cargo operations and trading of a diverse basket of products which include furnace oil, high speed diesel, aviation fuels and various other chemical products.

Seeing the trend continue, we have concentrated our efforts on bringing in more efficiencies through investment in human capital, process improvements, cost optimization and technology enhancements to ensure that we will remain competitive in a volatile and uncertain global environment.

Brief details about Air Cargo Operation future scenario:

India to grow into one of the ten largest international freight markets by 2018 - IATA.

Though in the last year the air cargo growth was muted, next year the cargo outlook is optimistic.

Today we are having Air Cargo Complex with all major facilities as required by Airport Authority of India (AAI) at Ahmedabad, Indore, Raipur and Visakhapatnam. At Visakhapatnam, your company operates the Air Cargo complex under an Operations and Maintenance Arrangement with Andhra Pradesh Trade Promotion Corporation Limited (APTPC). At Raipur is the first airport in the eastern region to be maintained and run by GSEC Limited under the common user terminal for domestic cargo (CUDCT) Programme as part of initiative taken by

the Airport Authority of India (AAI) to bring all airlines under one common user terminal at various airport in view of enhanced efficiency of cargo handling and better securities compliance. We also began commercial operations at Indore CUDCT successfully.

We have always looked at opportunities to further consolidate our position in air cargo sector across country since it has necessary strength and experience.

Our ability to offer integrated and one stop solutions through replaced manual systems with computerized operations the synergy of businesses has made us a preferred partner to our customers.

In our GSEC consolidation business, we have continued to increase facilities in cargo services, to maintain our performance in the competitive business. I am very happy to say that all of them have created value to help the Company truly become a competitive player together with being in line with the estimated payback period.

Coming to the performance in fiscal year 2015-16, I take this opportunity to convey our commitment towards increasing the value to the members of GSEC Limited.

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. Revenue from the Air Cargo operations has risen by 15%, which stood at ₹ 23.72 crores against ₹ 20.70 Crores in the previous year. We have seen a marginally rise of 24% in the turnover from our trading business which comes to ₹ 288.93 Crores against ₹ 233.82 Crores in the previous year. We trade 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 ₹ 312.66 Crores which marked a leap of 23% from the previous year's ₹ 254.53 Crores, which I think is commendable year-to-year growth in terms of operations and revenues of the company.

The outlook for the coming year appears steady but unpredictability is the new normal. The Indian economy is expected to benefit from the infusion of new investments in public infrastructure, but the reality will largely depend on how the macroeconomic indicators stack up in the next few months.

We owe our success to many - our associates and partners who work hard every day, our customers who place their trust in us, Government bodies such as Customs, Airports authority of India, fellow board members and shareholders, whose faith and confidence is both a blessing and inspiration to us.

Team GSEC is fully committed to our growth targets, and towards our long-term vision. We will continue together to focus on stronger performance and operational excellence.

Sincerely,

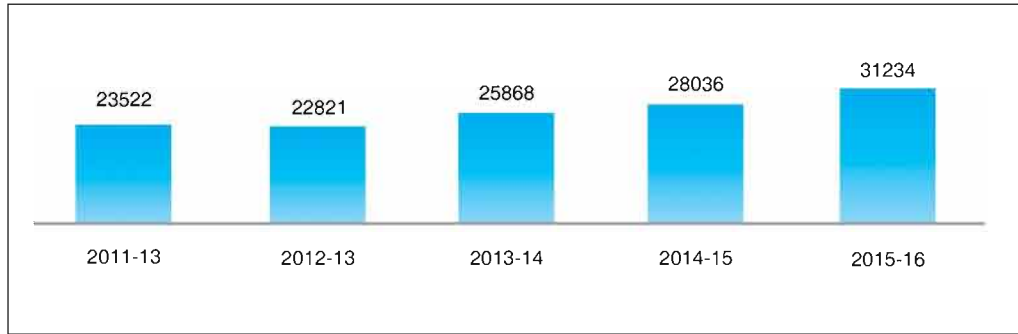
**RAKESH SHAH**

Chairman & Managing Director

DIN: 00421920

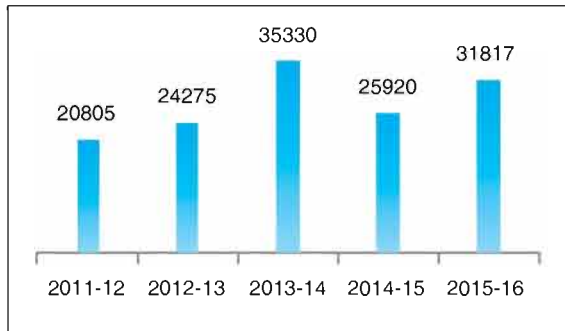
## Key Performance Indicators

### Operations Summary at Air Cargo Complex, Ahmedabad Total Tonnage Movement (In Metric Tons)

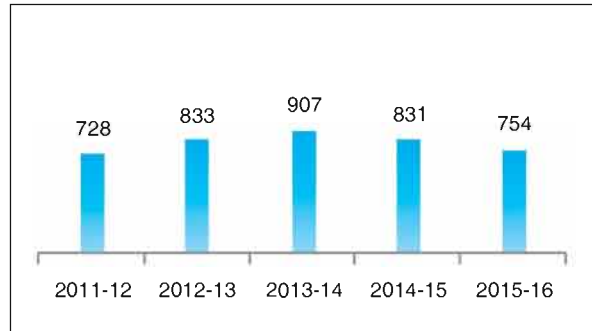


## Financial Performance indicator

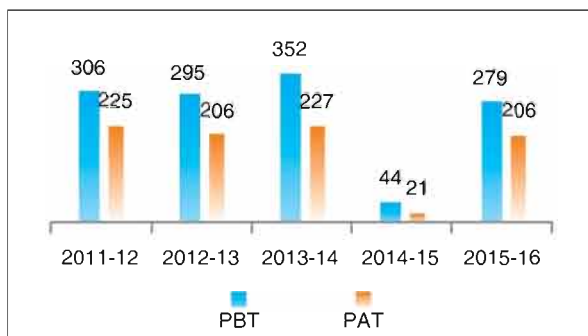
### Total Income (₹ In Lacs)



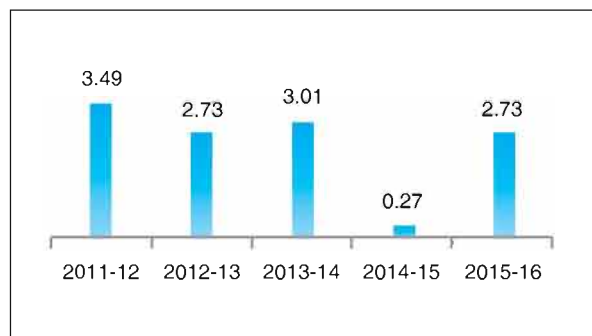
### EBIDTA (₹ In Lacs)



### PROFIT (₹ In Lacs)



### EPS (In ₹)





## DIRECTORS' REPORT

To  
The Members,

Your Directors present herewith the 50th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended, 31st March, 2016.

### 1. FINANCIAL RESULTS (STANDALONE):

Particulars	2015-16	2014-15
	₹ in Lacs	
Revenue from operations and other Income	31816.57	25919.91
<b>Profit before financial charges, Depreciation and taxation</b>	<b>753.56</b>	<b>830.99</b>
Less: Financial charges	205.01	262.10
Less: Depreciation and amortization expenses	269.41	345.19
<b>Profit before exceptional and prior period items and tax</b>	<b>279.14</b>	<b>223.70</b>
Less: Exceptional items	0.00	180.00
Less: Prior period items	0.00	0.00
<b>Profit before tax</b>	<b>279.14</b>	<b>43.70</b>
Less: Current Tax	90.00	70.00
Less: Deferred Tax Liability	(21.52)	(61.56)
Less: Provision for tax of earlier years	4.68	14.75
<b>Profit after taxation</b>	<b>205.97</b>	<b>20.50</b>
Amount available for appropriation	205.97	0.00
Transfer to general reserve	0.00	0.00
Proposed dividend and dividend tax	45.44	0.00
Balance carried to balance sheet	160.54	20.50

### STATE OF THE COMPANY'S AFFAIRS:

#### a) Air Cargo services:-

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

During the year, in Air Cargo Services Company recorded revenue of ₹ 2373.21 Lacs against ₹ 2071.17 Lacs of previous year.

#### 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.

At the end of the financial, in trading business the sales turnover of the Company stood at ₹ 28892.66 Lacs against ₹ 23381.66 Lacs of previous year.

### DIVIDEND:

The Board recommends payment of dividend of ₹ 0.50/- (Fifty Paise) per share on 7550000 Equity shares of face value of ₹ 10/- each for the year ended March 31, 2016.

### TRANSFER TO RESERVES:

During the year no amount was transferred to the reserve.

### SHARE CAPITAL STRUCTURE OF THE COMPANY:

The paid up capital of the company as on March 31, 2016 was ₹ 7,55,00,000/- divided in to 75,50,000 Equity shares of ₹ 10/- Each. There was no change in the Equity shares capital of the company during the financial year ended March 31, 2016.

**MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:****Alteration in Main Object Clause of the Company:-**

After the closure of the year, the Company has altered the main object clause of the Company so as to add the activities related to Aviation business after getting approval from members of the Company through Postal Ballot.

Apart from the above there were no other material changes or commitments which have occurred between the end of financial year to which the financial statement relates and the date of this report which affects the financial position of the Company.

**DIRECTORS AND SENIOR MANAGERIAL PERSONNEL:**

The Board of Directors is duly constituted with 8 (Eight) Directors and half of them being Independent Directors forming majority.

**Directors retire by rotation:-**

In accordance with Section 152 of the Companies Act, 2013, Mr. Samir Mankad (DIN: 00421878) retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Directors recommends his re-appointment.

**Resignation of Directors:-**

Mr. Shyamal Joshi (DIN: 00005766) has resigned as a Director of the Company with effect from February 1, 2016 on account of pre-occupancy. The Board places on record its sincere appreciation for the valuable contributions made by the Director during his tenure as a Director on the Board of the Company.

**Appointment of Directors:-**

Mr. Sandip Parikh (DIN: 00030990), was appointed as an Additional Director by the Board with effect from February 17, 2016, in the category of Independent Director for the term of five years, subject to approval of the Members at the ensuing Annual General Meeting. The Company has received notice from a shareholder in terms of Section 160 of the Companies Act, 2013 proposing the appointment of Mr. Sandip Parikh as Director of the Company at the ensuing Annual General Meeting.

Ms. Raji Shah (DIN: 06893581) was appointed as an Additional Director and subsequently as whole Time Director of the Company for a period of 3 years commencing from April 1, 2016 up to March 31, 2019, subject to approval of the Members at the ensuing Annual General Meeting. The Company has received a notice from a shareholder in terms of Section 160 of the Companies Act, 2013 proposing the appointment of Ms. Raji Shah as Director of the Company at the ensuing Annual General Meeting.

**Appointment and Reappointment of Senior Managerial Personnel:-**

After the conclusion of the financial year under review, Mr. Viral Mehta resigned from the office of Company Secretary of the company on May 2, 2016 due to pre-occupancy and Mr. Chintan Patel was appointed as Company Secretary of the company with effect from May 2, 2016 in place of Mr. Viral Mehta.

**Statement of Declaration given by the Independent Directors under Section 149(7):-**

The Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided in section 149 (6).

The Independent Directors have confirmed and declared that they are not dis-qualified to act as an Independent Director as specified under Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfils all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

**AUDIT COMMITTEE:**

The Company has constituted Audit Committee in terms of requirements of the Act read with rules framed thereunder. The details of composition of Audit Committee are given in the Corporate Governance Report forming part of this report.

**REMUNERATION POLICY:**

The remuneration policy of the Company is annexed to the report as **Annexure - G**.

**DEPOSITS:**

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 during the period under review.

#### **SUBSIDIARY COMPANIES:**

A statement in Form AOC-1 pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 in respect of subsidiary companies is annexed herewith as **Annexure - A**.

During the year under review, GSEC Logistics Limited, the wholly owned subsidiary Company has earned total revenue of ₹ 3.20 Lacs (Previous year ₹ 8.72 Lacs) and has earned Net Profit of ₹ 1.88 Lacs (Previous year ₹ 6.52 Lacs).

During the year under review, GSEC Green Energy Private Limited, the wholly owned subsidiary Company has earned Revenue from operations of ₹ 195.55 Lacs (Previous year ₹ 246.10 Lacs) and has earned Net Profit of ₹ 33.48 Lacs (Previous year Net Loss ₹ 102.61 Lacs)

#### **MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE MEETING:**

The details of the board and Committee meeting and attendance of the Directors/Members are provided in the Corporate Governance report forming part of this report.

#### **EXTRACT OF ANNUAL RETURN:**

The extract of Annual Return as per Section 92 (3) of Companies Act, 2013 is annexed under **Annexure-B** to this Report.

#### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, all related party transactions are entered on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Details of the concerned transactions are provided in Form AOC-2 under **Annexure-C**.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of the Loans and Guarantees given during the year under review falling under Section 186 of the Companies Act, 2013 is given in **Annexure-D**, which forms part of this report. The details of Investments are as mentioned in the notes of financial statements. During the year under review, the company has not provided any security falling within in purview of Section 186.

#### **PARTICULARS OF EMPLOYEES:**

No employee was drawing salary in excess of the limits prescribed by Central Government pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.

#### **AUDITORS:**

##### **Statutory Auditors:-**

In accordance with the provisions Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, M/s. BJS & Associates & Co., Chartered Accountants (Registration No. 113268W) were appointed as Statutory Auditors, for a term of five years to hold office till the conclusion of the Annual general Meeting held in the calendar year 2019, subject to the ratification by the members at every Annual general Meeting.

Accordingly, a Resolution seeking members' approval for ratification for their appointment from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company proposed.

##### **Secretarial Audit:-**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Umesh Parikh and Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure-E**.

#### **EXPLANATION OR COMMENTS ON AUDITORS' REPORT AND/OR SECRETARIAL AUDIT REPORT:**

There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory and Secretarial Auditors in their Audit Reports which requires clarification from the Management of the Company.

**INTERNAL FINANCIAL CONTROL SYSTEM:**

The Board has laid down the Internal Control System with adequate internal financial controls, commensurate with the size, scale and complexity of operations which operates effectively. The scope and authority of the Internal Audit (IA) function is well defined.

**RISK MANAGEMENT POLICY:**

The Management regularly reviews the risk and take appropriate steps to mitigate the risk. The company has in place the Risk Management policy. The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

In the opinion of the Board, there has been no identification of any element of risk which may threaten the existence or going concern of the Company.

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set-up to redress complaints received regarding sexual harassment. The Company has not received any sexual harassment complaint during the year 2015-16.

**SIGNIFICANT AND MATERIAL ORDERS:**

There is no significant and/or material order passed by any Regulator(s) or Court(s) or Tribunal(s) during the year which would impact the going concern status of the Company and its operations.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 is given in the **Annexure-F**.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company states that:-

- (a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that period.
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts ongoing concern basis.
- (e) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENTS:**

Your Directors are thankful to the Bankers, various Government agencies, suppliers, customers, Investors and all others stakeholders for their wholehearted support during the year and look forward to their continued support in the years ahead. Your Directors further appreciate and acknowledge the contributions made by the employees at all levels and other business associates for their commitment and dedication towards the operations of the Company.

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**For and on behalf of the Board of Directors,  
For GSEC Limited,**

**RAKESH SHAH  
Chairman & Managing Director  
(DIN: 00421920)**

**Date: August 26, 2016**

**Place: Ahmedabad**

## ANNEXURE - A

### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1	Sl. No.	1	2
2	Name of the subsidiary	GSEC Logistics Limited	GSEC Green Energy Private Limited
3	The date since when subsidiary was Acquired	07.09.2006	02.01.2012
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2015 to 31.03.2016	01.04.2015 to 31.03.2016
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR
5	Share capital	5,00,000	1,00,000
6	Reserves & surplus	20,29,132	(86,15,532)
7	Total assets	3,96,16,817	3,65,96,202
8	Total Liabilities	3,70,87,685	4,51,20,276
9	Investments	NIL	15,000
10	Turnover	NIL	NIL
11	Profit before taxation	3,09,073	35,60,249
12	Provision for taxation	1,21,026	2,129
13	Profit after taxation	1,88,047	35,58,120
14	Proposed Divided	NIL	NIL
15	% of Shareholding	100%	100%

- Notes :**
- 1 Names of subsidiaries which are yet to commence operations: Not Applicable.
  - 2 Names of subsidiaries which have been liquidated or sold during the year: Not Applicable.

#### Part "B": Associates and Joint Ventures: NIL

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

As per our attached report of even date

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

**Bipin Shah**  
Partner  
Membership No. 10712

**Date** : 26th August, 2016  
**Place** : Ahmedabad

For and on behalf of Board of Directors of  
GSEC Limited

**Rakesh Shah**  
Chairman & Managing Director  
(DIN: 00421920)

**Samir Mankad**  
Whole-time Director  
(DIN: 00421878)

**Chintan Patel**  
Company Secretary  
(M. No.: A29326)

**Date** : 26th August, 2016  
**Place** : Ahmedabad

## ANNEXURE - B

**Form No. MGT – 9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31st March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i) CIN	U52100GJ1965PLC001347
ii) Registration Date	October 14, 1965
iii) Name of the Company	GSEC Limited
iv) Category/ Sub-Category of the Company	Company Limited by Shares / Indian Non-government Company
v) Address of the registered office and contact details	Gujarat Chambers Building, Ashram Road, Ahmedabad – 380009. Phone: 079-26554100 Fax: 079-26584040 E mail: info@gsecl.co.in
vi) Whether listed company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Private Limited A/802 Samudra Complex, Near Klassic Gold Hotel, Grish Cold Drink Cross Road, Off C G Road, Ahmedabad-380009. Phone: 079-40024135 E mail: bssahd@bigshareonline.com

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

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Sl. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% total turnover of the company
1	Other wholesale Trading Business	51909	91.24
2	Air Cargo Business	99671	---

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. NO	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
01	Komal Infotech Private Limited 40, Asia House, Nr. Swastik Char Rasta, Navrangpura, Ahmedabad -380009	U72200GJ2000PTC037463	Holding Company	63.36	Sec. 2(46)
02	GSEC Logistics Limited 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad – 380 009	U62200GJ2006PLC049049	Subsidiary Company	100	Sec. 2(87)
03	GSEC Green Energy Private Limited 1ST Floor, Udhog Bhavan, Opp. Kunal Restaurant, Ashram Road, Ahmedabad – 380009	U37200GJ2011PTC066904	Subsidiary Company	100	Sec. 2(87)

## IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity):

## i) Category-wise Share Holding:-

Sl. No.	Category of Shareholder(s)	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/ HUF	-	2572140	2572140	34.07	-	2572140	2572140	34.07	-
(b)	Cent. Gov./ State Gov.(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	4783910	4783910	63.36	-	4783910	4783910	63.36	-
(d)	FI/ Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (A)(1)</b>	-	<b>7356050</b>	<b>7356050</b>	<b>97.43</b>	-	<b>7356050</b>	<b>7356050</b>	<b>97.43</b>	-
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals/ HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	<b>SUB TOTAL (A)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A) = (1) + (2)</b>	-	<b>7356050</b>	<b>7356050</b>	<b>97.43</b>	-	<b>7356050</b>	<b>7356050</b>	<b>97.43</b>	-
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-

(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-	-	-
(f) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h) Others	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non - Institutions</b>									
(a) Bodies Corporate	-	29010	29010	0.38	-	29010	29010	0.38	-
(b) Individuals									
i) Individual Shareholders holding nominal share capital up to ₹ 1 Lakh	10110	104430	114540	1.52	16560	97980	114540	1.52	-
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	50400	50400	0.67	12000	38400	50400	0.67	-
(c) Others	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2)</b>	<b>10110</b>	<b>1825220</b>	<b>192630</b>	<b>2.57</b>	<b>28560</b>	<b>165390</b>	<b>193950</b>	<b>2.57</b>	<b>-</b>
<b>Total Public Shareholding (B) = (1) + (2)</b>	<b>10110</b>	<b>1825220</b>	<b>192630</b>	<b>2.57</b>	<b>28560</b>	<b>165390</b>	<b>193950</b>	<b>2.57</b>	<b>-</b>
<b>TOTAL (A)+(B)</b>	<b>10110</b>	<b>7539890</b>	<b>7550000</b>	<b>100.00</b>	<b>28560</b>	<b>7521440</b>	<b>7550000</b>	<b>100.00</b>	<b>-</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>									
	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	<b>10110</b>	<b>7539890</b>	<b>7550000</b>	<b>100</b>	<b>28560</b>	<b>7521440</b>	<b>7550000</b>	<b>100.00</b>	<b>-</b>



## ii) Shareholding of Promoters:-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	KOMAL INFOTECH PVT LTD	4783910	63.36	0.00	4783910	63.36	0.00	0.00
2	PRITI R. SHAH	1447670	19.17	0.00	1447670	19.17	0.00	0.00
3	RAKESH R. SHAH	636090	8.42	0.00	636090	8.42	0.00	0.00
4	SHAISHAV R. SHAH	487270	6.45	0.00	487270	6.45	0.00	0.00
5	KOMAL R. SHAH	1110	0.01	0.00	1110	0.01	0.00	0.00
	<b>TOTAL</b>	<b>7356050</b>	<b>97.43</b>	<b>0.00</b>	<b>7356050</b>	<b>97.43</b>	<b>0.00</b>	<b>0.00</b>

## iii) Change in Promoters' Shareholding:-

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
<b>1</b>	<b>KOMAL INFOTECH PVT LTD</b>				
	At the beginning of the year	4783910	63.36	4783910	63.36
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the end of the year	4783910	63.36	4783910	63.36
<b>2</b>	<b>PRITI R. SHAH</b>				
	At the beginning of the year	1447670	19.17	1447670	19.17
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the end of the year	1447670	19.17	1447670	19.17

<b>3</b>	<b>RAKESH RAMANLAL SHAH</b>				
	At the beginning of the year	636090	8.43	636090	8.43
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the end of the year	636090	8.43	636090	8.43
<b>4</b>	<b>SHAISHAV RAKESH SHAH</b>				
	At the beginning of the year	487270	6.45	487270	6.45
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the end of the year	487270	6.45	487270	6.45
<b>5</b>	<b>KOMAL RAKESH SHAH</b>				
	At the beginning of the year	1110	0.01	1110	0.01
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the end of the year	1110	0.01	1110	0.01

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
<b>1</b>	<b>VASANT B. SHAH</b>				
	At the beginning of the year	38400	0.51	38400	0.51
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	38400	0.51	38400	0.51

<b>2</b>	<b>ALEMBIC LIMITED</b>				
	At the beginning of the year	12210	0.16	12210	0.16
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	12210	0.16	12210	0.16
<b>3</b>	<b>MANOJKUMAR RAMANLAL GANDHI</b>				
	At the beginning of the year	12000	0.16	12000	0.16
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	12000	0.16	12000	0.16
<b>4</b>	<b>VASUNDHARA CANNING PVT. LTD.</b>				
	At the beginning of the year	4500	0.06	4500	0.06
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	4500	0.06	4500	0.06
<b>5</b>	<b>SHARDADEVI KANTILAL GURU</b>				
	At the beginning of the year	3240	0.04	3240	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	3240	0.04	3240	0.04

<b>6</b>	<b>KANTILAL MOHANLAL GURU</b>				
	At the beginning of the year	3210	0.04	3210	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	3210	0.04	3210	0.04
<b>7</b>	<b>TARUN UNAAGAR</b>				
	At the beginning of the year	3150	0.04	3150	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	3150	0.04	3150	0.04
<b>8</b>	<b>SHANTILAL M JARIWALA</b>				
	At the beginning of the year	3000	0.04	3000	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	3000	0.04	3000	0.04
<b>9</b>	<b>LALCHAND T MEHTA</b>				
	At the beginning of the year	2700	0.03	2700	0.03
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	2700	0.03	2700	0.03
<b>10</b>	<b>SHANKERLAL MOHANLAL GURU</b>				
	At the beginning of the year	2310	0.03	2310	0.03
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	2310	0.03	2310	0.03

## v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
<b>1</b>	<b>RAKESH RAMANLAL SHAH</b>	<b>CHAIRMAN AND MANAGING DIRECTOR</b>			
	At the beginning of the year equity etc.)	636090	8.42	636090	8.42
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	636090	8.42	636090	8.42
<b>2</b>	<b>SAMIR HANSHKUMAR MANKAD</b>	<b>WHOLE-TIME DIRECTOR</b>			
	At the beginning of the year equity etc.)	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>3</b>	<b>SHAISHAV RAKESHKUMAR SHAH</b>	<b>WHOLE-TIME DIRECTOR</b>			
	At the beginning of the year equity etc.)	487270	6.45	487270	6.45
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	487270	6.45	487270	6.45
<b>4</b>	<b>CHINUBHAI RAMANLAL SHAH</b>	<b>DIRECTOR (INDEPENDENT)</b>			
	At the beginning of the year equity etc.)	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL

<b>5</b>	<b>BHALABHAI CHOTOBHAI PATEL</b>	<b>DIRECTOR (INDEPENDENT)</b>			
	At the beginning of the year equity etc.)	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>6</b>	<b>NATWARLAL MEGHJIBHAI PATEL</b>	<b>DIRECTOR (INDEPENDENT)</b>			
	At the beginning of the year equity etc.)	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>7</b>	<b>SANDIP ASHWINBHAI PARIKH</b> <b>(Appointed as on 17.02.2016)</b>	<b>DIRECTOR (INDEPENDENT)</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>8</b>	<b>SHYAMAL SHIVKUMAR JOSHI</b> <b>(Resigned as on 01.02.2016)</b>	<b>DIRECTOR (INDEPENDENT)</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>9</b>	<b>KOMAL HETAL SHAH</b> <b>(Resigned as on 25.05.2015)</b>	<b>DIRECTOR</b>			
	At the beginning of the year equity etc.	1110	0.01	1110	0.01
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	1110	0.01	1110	0.01

<b>10</b>	<b>RAJI SHAISHAV SHAH</b> (Appointed as on 01.04.2016)	<b>DIRECTOR</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
<b>11</b>	<b>VIRALKUMAR MEHTA</b> (Resigned as on 02.05.2016)	<b>SECRETARY</b>			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:- (Amount in ₹ )

Sl. Particulars No	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	46236000	133750576	NIL	179986576
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>46236000</b>	<b>133750576</b>	<b>NIL</b>	<b>179986576</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	106193432	NIL	NIL	106193432
- Reduction	NIL	105516461	NIL	(105516461)
<b>Net Change</b>	<b>106193432</b>	<b>105516461</b>	<b>NIL</b>	<b>676971</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	152429432	28234114	NIL	180663546
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>152429432</b>	<b>28234114</b>	<b>NIL</b>	<b>180663546</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-**

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Rakesh R. Shah, CMD	Samir H. Mankad, WTD	Shaishav R. Shah, WTD	
<b>1.</b>	<b>Gross salary</b>				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000/-	22,32,000/-	16,85,000/-	75,17,000/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL
<b>2</b>	<b>Stock Option</b>	NIL	NIL	NIL	NIL
<b>3</b>	<b>Sweat Equity</b>	NIL	NIL	NIL	NIL
<b>4</b>	<b>Commision</b> - as % of profit - Others, specify...	NIL	NIL	NIL	NIL
<b>5</b>	<b>Others, please specify</b>	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	<b>36,00,000/-</b>	<b>22,32,000/-</b>	<b>16,85,000/-</b>	<b>75,17,000/-</b>
	<b>Ceiling as per the Act</b>	₹ 28,40,521/- (@10% of profits calculated as per Section 198 of the Companies Act, 2013)			

**B. Remuneration to other directors:-**

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Chinubhai Shah	Bhalabhai Patel	Natwarlal Patel	*Shyamal Joshi Joshi	#Sandip Parikh	
<b>1.</b>	<b>Independent Directors</b> - Fee for attending board committee meetings - Commission - Others, please specify	45000/-	30000/-	15000/-	15000/-	7500/-	112500/-
	<b>Total(1)</b>	<b>45000/-</b>	<b>30000/-</b>	<b>15000/-</b>	<b>15000/-</b>	<b>7500/-</b>	<b>112500/-</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>  - Fee for attending board committee meetings - Commission - Others, please specify	NOT APPLICABLE					
	<b>Total (2)</b>	-	-	-	-	-	
	<b>Total (B)=(1+2)</b>	<b>45000/-</b>	<b>30000/-</b>	<b>15000/-</b>	<b>15000/-</b>	<b>7500/-</b>	<b>112500/-</b>
	<b>Overall Ceiling as per the Act</b>	Not applicable as the Non-executive Directors have only been paid the Sitting Fees for attending the meetings which is outside the pervue of calculating the remuneration.					

\* Resigned as on 01.02.2016 # Appointed as on 17.02.2016



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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			(Amount in ₹)
		CEO	Company Secretary	CFO	Total
<b>1.</b>	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961	NIL	3,39,612/-	NIL	3,39,612/-
	(b) Value of perquisites u/s17(2) Income-taxAct,1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section17(3) Income-tax Act,1961	NIL	NIL	NIL	NIL
<b>2.</b>	<b>Stock Option</b>	NIL	NIL	NIL	NIL
<b>3.</b>	<b>Sweat Equity</b>	NIL	NIL	NIL	NIL
<b>4.</b>	<b>Commission</b> - as % of profit - Others, specify...	NIL	NIL	NIL	NIL
<b>5.</b>	<b>Others, please specify</b>	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>NIL</b>	<b>3,39,612/-</b>	<b>NIL</b>	<b>3,39,612/-</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT / COURT]	Appeal made, if any (give details)
<b>A.</b>	<b>COMPANY</b>					
	Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
<b>B.</b>	<b>DIRECTORS</b>					
	Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors,  
For GSEC Limited,

**RAKESH SHAH**  
Chairman & Managing Director  
(DIN: 00421920)

Date: August 26, 2016

Place: Ahmedabad

## ANNEXURE - C

## Form AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto

**1. Details of material contracts or arrangements or transactions not at arm's length basis:**

All contracts/arrangements/transactions entered into during the year ended March 31, 2016, were at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts /arrangements / transactions	Salient terms of the contracts or arrangements	Date(s) of approval by the Board, if any.	Amount paid as advances, if any.
Priti R. Shah (Relative of Director(s))	Lease/Rent Agreement	As per Agreement	₹ 6.56/- Lacs	As per Note Below	As per Note Below
Shaishav R. Shah (Whole-time Director)	Lease/Rent Agreement	As per Agreement	₹ 2.73/- Lacs	As per Note Below	As per Note Below

**Note:** Above mentioned transaction are done at arm's length price and at prevailing market rate. And appropriate approvals whenever required have been taken for related party transactions. No amount was paid as advance.

For and on behalf of the Board of Directors,  
For GSEC Limited,

RAKESH SHAH  
Chairman & Managing Director  
(DIN: 00421920)

Date: August 26, 2016  
Place: Ahmedabad

## ANNEXURE - D

### Particulars of Loans and Guarantees

Amount outstanding as at 31st March, 2016

( ₹ in Lacs)

Particulars	Amount
Loans given	1128.99
Guarantee given	NIL

Loan, Guarantee and Investments made during the Financial Year 2015-16

( ₹ in Lacs)

Name of Entity	Relation	Amount	Particulars	Purpose
GSEC Green Energy Private Limited	Subsidiary	205.93	Loan	Business
GSEC Logistics Limited	Subsidiary	369.86	Loan	Business
GSEC Infrastructure Private Limited	Other Related Party	3.20	Loan	Business
Metro Global Limited	--	550.00	Loan	Business

For and on behalf of the Board of Directors,  
For GSEC Limited,

**RAKESH SHAH**  
Chairman & Managing Director  
(DIN: 00421920)

Date: August 26, 2016  
Place: Ahmedabad

**ANNEXURE - E****Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED March 31, 2016  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**GSECLIMITED**  
**CIN-U52100GJ1965PLC001347**  
Gujarat Chambers Building,  
Ashram Road,  
Ahmedabad- 380009.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GSEC Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable as the Company is not Listed Company.)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 (Effective from May 15, 2015); (Not Applicable as the Company is not Listed Company.)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable as Company is not Listed Company.)
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; (Not Applicable as the Company is not Listed Company.)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued any debt securities during the year under review.)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company is not Listed Company.)
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Not applicable as the Company is not Listed Company.)

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- i. Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India. (Effective from July 1, 2015.)
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges. (Not applicable as the Company is not listed with any stock exchange in India or Abroad)

During the audit period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

**We further report that:**

During the audit period under review there were no specific laws which were exclusively applicable to the Company/ Industry. However having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records on test - check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the Air cargo activities and Trading activities:

1. Foreign Trade Policy
2. Major Port Trusts Act, 1963
3. The Airports Economic Regulatory Authority of India Act, 2008

**We further report that :**

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

Decisions at the meetings of Board of Directors / Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

**We further report that :**

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, The Indian Copyright Act, 1957, The Patents Act, 1970, The Trade Marks Act, 1999 and Environment Laws.

**We further report that :**

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

**We further report that :**

There were no other instances of:

- a) Public/Right issue/ preferential allotment of shares/ debentures/sweat equity, etc.
- b) Redemption / buy-back of securities
- c) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- d) Merger / amalgamation / reconstruction, etc.
- e) Foreign technical collaborations

**For Umesh Parikh & Associates  
Company Secretaries**

**Place: Ahmedabad  
Date: August 26, 2016**

**Umesh G. Parikh  
Proprietor  
FCS No. 4152 C P No.: 2413**

To,  
The Members,  
**GSEC LIMITED**  
CIN- U52100GJ1965PLC001347

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

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done with respect to the complete secretarial records to ensure that correct facts are reflected therein. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of various procedures on test check basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

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**For Umesh Parikh & Associates**  
**Company Secretaries**

**Place: Ahmedabad**  
**Date: August 26, 2016**

**Umesh G. Parikh**  
**Proprietor**  
**FCS No. 4152 C P No.: 2413**

## ANNEXURE - F

### Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

(Pursuant to provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

<b>(A)</b>	<b>Conservation of energy :</b>	
(i)	the steps taken or impact on conservation of energy;	In order to conserve resources, 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. On account of measures taken, it reduces the energy consumption.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	N.A.
(iii)	the capital investment on energy conservation equipments	N.A.
<b>(B)</b>	<b>Technology absorption :</b>	
(i)	the efforts made towards technology absorption;	There is no technology absorption and Company has not incurred any Research and development expenditure.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	N.A.
(a)	the details of technology imported;	N.A.
(b)	the year of import	N.A.
(c)	whether the technology been fully absorbed	N.A.
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	N.A.
(iv)	the expenditure incurred on Research and Development	N.A.
<b>(C)</b>	<b>Foreign Exchange Earning and Outgo:</b>	
(i)	Foreign Exchange Earning	During the year under review, earnings in Foreign Currency amounted to NIL.
(ii)	Foreign Exchange Outgo	During the year under review, outgo in Foreign Currency amounted to ₹ 67.06 Lacs. (Previous year ₹ 70.90 Lacs)

For and on behalf of the Board of Directors,  
For GSEC Limited,

RAKESH SHAH  
Chairman & Managing Director  
(DIN: 00421920)

Date: August 26, 2016  
Place: Ahmedabad

## ANNEXURE - G

### Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Senior Employees

#### I. TERMS OF REFERENCE TO THE NOMINATION AND REMUNERATION COMMITTEE:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
2. To recommend to the Board their appointment and removal and shall carry out evaluation of directors performance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
4. To recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees."

#### II. APPLICATION:

This Policy applies to the Board of Directors, Key Managerial Personnel and Senior Management Personnel of GSEC Limited ('the Company'). The policy envisages the framework for nomination, remuneration and evaluation of Board of Directors, Key Managerial Personnel and Senior Management Personnel in accordance with provisions of Companies Act, 2013 ('the Act') including the rules made thereunder as may be applicable.

#### III. OBJECTIVITY:

The Company aims to achieve balance of merits, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management Personnel.

#### IV. DEFINITIONS:

1. "Board" means Board of Directors of the Company.
2. "Committee" means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board from time to time.
3. "Key Managerial Personnel" (KMP) means:
  - a) Chief Executive Officer or Managing Director or the Manager,
  - b) Whole-time Director
  - c) Chief Financial Officer
  - d) Company Secretary and
  - e) Such other officers as may be prescribed under the Act from time to time
4. "Senior Management Personnel" (SMP) means personnel of the Company who are members of the core management team, excluding Board of Directors and are one level below the Executive Directors including all Functional Heads.
5. "Company Policy" means the policy of Human Resource Department of the Company as laid down from time to time.

#### V. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP:

1. The Committee shall consider criteria such as qualifications, skills, expertise and experience of the person to be appointed as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
2. The age of person to be appointed as a Non-Executive Director shall not be less than 21 years and more than 75 years. The Committee at its discretion may recommend to the Board continuation of Director for further term of appointment who has completed 75 years.
3. The age of person to be appointed as an Executive Director shall not be less than 21 years and not more than 70 years. The Committee at its discretion may recommend to the Board continuation of Director for further term of appointment who has completed 70 years.
4. The Company should ensure that the person so appointed as Director is not disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.



5. The Director/ Independent Director / KMP / SMP shall be appointed as per the provisions and procedure laid down under the Companies Act, 2013 including rules made thereunder, as may be applicable or any other enactment for the time being in force.
6. The Committee may recommend to the Board for removal of a Director on account of any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground. The Committee may also recommend to the Board for removal of KMP or SMP subject to the provisions and compliance of the applicable Act, rules and regulations.
7. Term and tenure of a Director shall be in accordance with the provisions of the Companies Act, 2013 rules made thereunder as may be applicable and amended from time to time.

## VI. REMUNERATION OF DIRECTORS, KMP AND SMP:

### A) DIRECTORS –

The Board of Directors of the Company shall decide the remuneration of Executive / Non-Executive Directors on the basis of recommendation of the Committee subject to the overall limits provided under the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act') and in compliance with the provisions of the listing agreement as applicable from time to time.

The remuneration of Directors shall be approved by the shareholders of the Company as and when required.

#### (I) EXECUTIVE DIRECTORS –

The Company shall enter into a contract with every Executive Director, which will set out the terms and conditions of appointment and tenure, as recommended by the Committee and approved by the Board.

The Board may vary any terms or conditions of the contract from time to time within the tenure subject to such approvals as may be required under the Act.

The remuneration components shall include inter alia:

##### A. Fixed salary:

Each Executive Director shall be paid fixed salary consisting of basic salary and such allowances and perquisites as may be recommended by the Committee and decided by the Board and performance evaluation of each Executive Director from time to time, subject to overall limits as prescribed under the Act.

The salary may be reviewed;

- i) From time to time as thought fit by the Committee.
- ii) Annually within the limits as set by the Company within the overall limit as fixed by the shareholders of the Company.

##### B. Commission:

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each Director shall be recommended by the Committee on the basis of the performance evaluation of the Director undertaken by the Committee and the Board.

##### C. Separation / Retirement benefits:

Executive Director shall be eligible to the following perquisites which shall be included in the computation of the ceiling on remuneration provided in the Act:

- (a) 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 or any amendment thereof,
- (b) Gratuity payable at a rate not exceeding one month's salary for each completed year of service and
- (c) Encashment of leave at the end of the tenure. In case of loss or inadequacy of profits of the Company, the aforesaid perquisites shall not be included in computation of the ceiling on remuneration provided in the Act.

**D. Non-monetary Benefits:**

Executive Director shall be eligible to the following non-monetary benefits which shall, subject to the terms and conditions of the appointment of Executive Director by the shareholders of the Company, not be included in the computation of the limit/ceiling on remuneration:

Executive Directors may be entitled to club membership, company vehicle with driver, petrol reimbursement, vehicle maintenance, telephone, fax, internet at residence, reimbursement of mobile phone bills, fully furnished accommodation (in case of use of own residential property for accommodation) or house rent allowance in lieu thereof, soft and hard furnishings, reimbursement of house maintenance expenditure, gas, electricity bill, water and other utilities and repairs at residence, medical expenditure, including hospitalization expenses for self and family, leave travel assistance and entertainment expenses.

Executive Director may also be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance or any other benefit as per Company policy.

Executive Director may be entitled to such other additional benefits as per the Company Policy.

**(II) NON-EXECUTIVE DIRECTORS –**

The Company shall issue a letter of appointment to every Non-Executive Independent Director. The components of payment of remuneration to Non-Executive Directors shall include:

**A. Sitting Fees:**

Sitting fees shall be paid for Board Meetings and any Committee Meetings attended by the Director. Different amount of sitting fees may be paid for different types of meetings within limits as prescribed under the Act. Committee shall include Audit Committee, Nomination and Remuneration Committee Share Transfer and Shareholders' Grievances Committee or such other Committees as may be constituted by the Board from time to time.

**B. Commission:**

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each director shall be recommended by the Committee on the basis of annual performance evaluation of the director.

**C. Professional Fees:**

Non Independent Directors may be paid fees for services of professional nature, if in the opinion of Committee, the Director possesses the requisite qualification for the practice of the profession. Such professional fees shall not be considered as remuneration for the purpose of Act.

Independent Directors may be paid the fees for providing services of professional nature on an arm's length basis, if in the opinion of Committee, the Director possesses the requisite qualification for the practice of the profession.

**B) KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL –**

The Company shall issue an appointment letter to every KMP and SMP. The remuneration components payable to KMP/SMP may be:

**A. Fixed Salary:**

Each KMP / SMP shall be paid fixed salary consisting of basic salary and such allowances and perquisites as per service rules of the Company. The band of the salary shall be determined according to the industry standards, market conditions, scale of Company's business relating to the position, educational qualification parameters and experience in the industry as detailed in the service rules of the Company and such other factors as may be prescribed therein. The same shall be reviewed annually based on the Company's annual appraisal policy.

**B. Variable Pay:**

Apportion of the overall salary may be paid as variable pay to every KMP/SMP. This shall be as per the Performance Linked Pay Scheme of the Company, which is designed to bring about increase in overall organizational effectiveness through alignment of Company, Functional and Individual objectives.

**C. Perquisites / Other Benefits Perquisites / Other Benefits:**

These are to be benchmarked with Industry practices from time to time keeping an overall salary structure in mind. These may include petrol reimbursement, vehicle maintenance, telephone, reimbursement of mobile phone bills, leave travel assistance and reimbursement of medical expenditure for self and family and such other benefits as per the Company Policy.

KMP / SMP may be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance and such other benefits as per Company policy.

**D. Annual Pay Revision / Promotion Evaluation of KMP / SMP:**

This shall be based on appraisal against stated Objectives / Goals of the individual which in turn shall be aligned to the Functional and Enterprise Score Card. Key Result Areas (KRAs) are set at the beginning of the year in consultation with the Executive Director. Pay revisions / promotions will be achievement oriented and will also have reference to Industry benchmarks, where appropriate. e. Separation / Retirement benefits Separation / retirement benefits as per Company policy which shall include contribution to provident fund, superannuation, gratuity and leave encashment.

**C) DIRECTORS AND OFFICERS LIABILITY INSURANCE–**

The Company will take Directors and Officers Liability Insurance or such insurance of like nature for indemnifying any of the Directors, KMP and SMP against any liability in respect of any negligence, default, misfeasance, breach of duty or trust for which they may be guilty in relation to the Company. The premium paid on such insurance shall not be treated as part of remuneration payable to Managing Director, Whole Time Director, Chief Executive Officer, Chief Financial Officer or Company Secretary. Provided that if any such person is proved to be guilty, the premium paid shall be treated as part of the remuneration.

**D) STOCK OPTIONS–**

The Committee may recommend issue of stock options to Directors (other than Independent Directors and Promoter Directors), KMP / SMP, which may be granted by the Board subject to the compliance of the provisions of applicable laws.

**VII. CRITERIA FOR EVALUATION OF BOARD:**

The evaluation of Board shall be carried out annually as per the provisions of the Companies Act, 2013 and rules made thereunder as may be applicable. Performance evaluation of each Director will be based on the criteria as laid down from time to time by the Nomination and Remuneration Committee.

Criteria for performance evaluation shall include aspects such as attendance for the meetings, participation and independence during the meetings, interaction with Management, Role and accountability to the Board, knowledge and proficiency and any other factor as may be decided by the Nomination and Remuneration Committee. Further, performance evaluation of an Executive Director will also be based on business achievements of the Company.

**VIII. AMENDMENT:**

Based on the recommendation of the Committee, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate, in accordance with any amendment to the applicable provisions of the Companies Act, 2013 and rules made thereunder as may be applicable.

For and on behalf of the Board of Directors,  
For GSEC Limited,

**RAKESH SHAH**  
Chairman & Managing Director  
(DIN: 00421920)

Date: August 26, 2016  
Place: Ahmedabad

## CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement and Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, companies whose shares are listed on any Stock Exchange in India are required to attach the Corporate Governance Report in its Annual Report. 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 / Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a good corporate practice.

### 1 COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company always endeavors to be proactive in voluntarily adopting good governance practices and laying down ethical business standards, both internally as well as externally. The objective of your Company is not only to achieve excellence in Corporate Governance by conforming to prevalent mandatory guidelines on Corporate Governance but also to improve on these aspects on an ongoing basis with a continuous attempt to innovate in adoption of business best practices.

### 2 BOARD OF DIRECTORS:

#### Composition:-

The Company has an optimum combination of Executive and Non-Executive Directors. The Company has an Executive Chairman cum Managing Director and half of the Directors on the Board are Independent Directors.

The Company has eight Directors comprising of an Executive Chairman, three Whole-time Directors and Four Non-Executive Directors as on March 31, 2016. The current composition is appropriate to maintain independence of the Board of Directors and separate its functions of governance and management.

#### Board meetings:-

The Board of Directors meets at least four times in a year with a maximum time gap of not more than one hundred & twenty days between two consecutive meetings. Additional meetings of the Board of Directors are held as and when deemed necessary by the Board of Directors. Board Meetings are generally held at the Registered Office of the Company.

During the year under review, the Board of Directors met 5 (five) times (1) 16.06.2015, (2) 22.08.2015, (3) 29-09-2015, (4) 31.12.2015 and (5) 17.02.2016. The necessary quorum was present at all the meetings.

The names and category of Directors on the Board, their attendance at the Board Meetings held during the year and also at the last Annual General Meeting 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	Mr. Rakesh Shah	Executive Director (Chairman & Managing Director)	5	Yes	6
2	Mr. Samir Mankad	Executive Director (Whole-time Director)	5	Yes	2
3	Mr. Shaishav Shah	Executive Director (Whole-time Director)	3	Yes	5
*4	Ms. Raji Shah	Executive Director (Whole-time Director)	-	-	3
5	Mr. Chinubhai Shah	Non-Executive Independent Director	3	Yes	9
6	Mr. Bhalabhai Patel	Non-Executive Independent Director	2	Yes	1
7	Mr. Natwarlal Patel	Non-Executive Independent Director	2	Yes	8
**8	Mr. Shyamal Joshi	Non-Executive Independent Director	3	Yes	11
***9	Mr. Sandip Parikh	Non-Executive Independent Director	1	No	4

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

\* Appointed w.e.f. 01.04.2016 \*\* Resigned w.e.f. 01.02.2016 \*\*\* Appointed as on 17.02.2016

The tenure of the Independent Directors of the Company is within the time limit prescribed under the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs in this regards from time to time. No Director of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all companies in which he/she is a Director.

**Disclosure of relationships between director's inter-se:-**

Mr. Rakesh Shah, Chairman and Managing Director is father of Mr. Shaishav Shah Whole-time Director and father in law of Ms. Raji Shah Whole-time Director of the company.

**3 AUDIT COMMITTEE:****Composition & Members of the Committee:-**

Your Company has an Audit Committee at the Board level, which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors. Audit Committee of company re-constituted with effect from 17.02.2016 due to resignation of Chairman as per provisions of Companies Act, 2013. The Audit Committee of the Company comprised of four members as on March 31, 2016.

During the year, Two Committee Meetings were held on 22.08.2015 and 17.02.2016.

Constitution of the audit committee and attendance details during the financial year ended March 31, 2016 are given below:

Sr. No.	Name of the Director / Member	Category	Attendance of Meeting during the year
1	*Mr. Sandip Parikh (Chairman of the Committee)	Non-Executive Independent Director	1
2	Mr. Shyamal Joshi (Ceased w.e.f. 01.02.2016)	Non-Executive Independent Director	1
3	Mr. Chinubhai Shah	Non-Executive Independent Director	2
4	Mr. Bhalabhai Patel	Non-Executive Independent Director	1
5	Mr. Samir Mankad	Executive Director (Whole-time Director)	2

\*Mr. Sandip Parikh appointed as chairman in place of Mr. Shyamal Joshi w.e.f. 17.02.2016.

Brief description of Terms of Reference:

- (i) oversee the financial reporting process
- (ii) recommend the appointment/re-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 quarterly financial statements
- (v) review the changes in accounting policies etc
- (vi) review the adequacy of internal audit functions and discuss with them significant findings,
- (vii) review the disclosure of related party transactions,
- (viii) Compliance relating to financial statements etc.
- (ix) Scrutiny of Intercompany Loan and Investment.

**4 NOMINATION AND REMUNERATION COMMITTEE:****Composition & Members of the Committee:-**

The Nomination and Remuneration Committee of the Company comprise of three members as on March 31, 2016, the composition of which is furnished hereunder:

Sr. No.	Name of the Director / Member	Category
1	Mr. Chinubhai Shah (Chairman of the Committee)	Non-Executive Independent Director
2	Mr. Bhalabhai Patel	Non-Executive Independent Director
3	Mr. Natwarlal Patel	Non-Executive Independent Director

During the year, one Committee Meeting was held on 17.02.2016. All the Committee members, were present at the meeting on that relevant date.

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 31-03-2016 are as below:

Name	Position held During the period	Total Remuneration ₹ in Lacs
Mr. Rakesh R. Shah	Chairman & Managing Director	36.00
Mr. Samir H. Mankad	Whole-time Director	22.32
Mr. Shaishav R. Shah	Whole-time Director	16.85

**Service Contract and Notice Period:** The appointment of Mr. Rakesh R. Shah as Managing Director, Mr. Shaishav R. Shah and Ms. Raji Shah as Whole Time Directors of the Company is for the 3 years commencing from 01-04-2016 to 31-03-2019, and appointment of Mr. Samir Mankad is for the period of three years commencing from 01-04-2014 to 31-03-2017, terminable by six month notice in writing by either side.

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

Sr. No.	Name of Director	Sitting fees paid (In ₹)	No. of Shares held
01	Mr. Chinubhai Shah	45000/-	Nil
02	Mr. Bhalabhai Patel	30000/-	Nil
03	Mr. Natwarlal Patel	15000/-	Nil
04	*Mr. Shyamal Joshi	15000/-	Nil
05	#Mr. Sandip Parikh	7500/-	Nil

\* Resigned w.e.f. 01.02.2016 # Appointed as on 17.02.2016

## 5 SHARE TRANSFER AND GRIEVANCES COMMITTEE:

### Composition & Members of the 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 Share Transfer and Grievances Committee of the Company comprised of three members as on March 31, 2016 the composition of which is furnished hereunder:

Sr. No.	Name of the Director / Member	Category
1	Mr. Chinubhai Shah (Chairman of the Committee)	Non-Executive Independent Director
2	Mr. Rakesh Shah	Executive Director (Managing Director)
3	Mr. Samir Mankad	Executive Director (Whole-time Director)

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 matter relating to investor / shareholders grievances.

No complaints have been received during the year under review.

## 6 GENERAL BODY MEETINGS:

### Annual General Meetings:-

Date, Time and Venue of the General Meetings held during the last 3 years:

Financial year ended	Date	Time	Venue
31-03-2015	29-09-2015	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009
31-03-2014	15-09-2014	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009
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

**Details of Special Resolutions passed in the previous three Annual General Meetings:**

Date of the AGM	Subject Matter of the Special Resolution
29-09-2015	No Special Resolution was passed
15-09-2014	Re-appointment of Shri Rakesh R. Shah as a Chairman and Managing Director of the Company
	Re-appointment of Shri Samir H. Mankad as a Whole-time Director of the Company
	Authorisation to the Board of Directors for borrowing money u/s 180(1) (c) of the Companies Act, 2013
	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
	Authorisation to the Board of Directors for making Loans and Advances u/s 186 of the Companies Act, 2013
18-09-2013	Re-appointment of Shri Shaishav R. Shah as the Whole-time Director

**Extra Ordinary General Meeting(s):-** No Extra-Ordinary General meeting of the members of the Company held during the year under review.

**Postal Ballots:-** None of the Resolutions were put through postal ballot during the financial year. No resolution is proposed to be conducted through Postal Ballot at the ensuing Annual General Meeting.

**7 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.

**8 GENERAL SHAREHOLDER INFORMATION:**

Day, Date, time and venue of AGM	Thursday, 29th September, 2016, at 11.30 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries Building, Ahmedabad - 380 009.
Record Date	29th day of September, 2016
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

**9 DEMATERIALIZATION OF SHARES, REGISTRAR & TRANSFER AGENT & SHARE TRANSFER SYSTEM:****(a) Registrar and Share Transfer Agent:-**

Name	:	M/s. Bigshare Services Private Limited
Address	:	A/802 Samudra Complex, Near Klassic Gold Hotel, Grish Cold Drink Cross Road, Off C G Road, Ahmedabad-380009.
Contact Details	:	Phone: 079- 40024135
E mail	:	bssahd@bigshareonline.com

**(b) Share Transfer System:-**

Transfer of shares in physical form has been delegated by the Board to the Registrar and Share Transfer Agent, to facilitate speedy service to the shareholders. Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 20 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks.

**(c) 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.

**10 INVESTORS CORRESPONDENCE:**

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

**Registered Office**

GSEC Limited,  
2nd Floor, Gujarat Chamber's Building,  
Ashram Road, Ahmedabad – 380 009.  
Phone : 079 – 26575757, 079 – 26585757  
Fax: 079-26584040  
E mail: info@gsecl.co.in

**Registrar and Share Transfer Agent**

Bigshare Services Private Limited  
A/802 Samudra Complex, Near Klassic Gold Hotel ,  
Grish Cold Drink Cross Road, Off C G Road,  
Ahmedabad-380009.  
Phone: 079-40024135  
E mail: bssahd@bigshareonline.com

Complaints/grievances may also be addressed to- 'cs@gsecl.co.in'

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For and on behalf of the Board of Directors,  
For GSEC Limited,

Date: August 26, 2016  
Place: Ahmedabad

**RAKESH SHAH**  
Chairman & Managing Director  
(DIN: 00421920)



## INDEPENDENT AUDITOR'S REPORT

### To the Members of GSEC Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying financial statements of GSEC Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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

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

#### Auditors' Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

(Standalone)

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Bipin Shah  
Partner  
Membership No. 10712**

**Date : 26th August, 2016  
Place : Ahmedabad**

## Annexure - A to the Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular Programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this Programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company has granted loans to three bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (iv) The Company has not accepted any deposits from the public.
- (v) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

(Standalone)

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 Act, Gujarat	Value Added Tax	Tribunal	2007-08 and 2008-09	862.39
Service Tax	Service Tax on Exempted Income	Additional Commissioner, Service Tax - Ahmedabad	2009-10 to 2012-13	39.02
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2009-10	1.62
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2011-12	14.21

Company has transferred amount of ₹ 26,075/- to the Investor Education and Protection Fund in accordance with the provisions of Companies Act, 1956 during the year.

- (vii) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or bank or Government during the year.
- (viii) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (ix) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (x) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xi) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiii) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Date : 26th August, 2016  
Place : Ahmedabad  
(Standalone)

Bipin Shah  
Partner  
Membership No. 10712

## Annexure - B to the Auditors' Report

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of GSEC Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on

Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

(Standalone)

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Date : 26th August, 2016**

**Place : Ahmedabad**

**Bipin Shah  
Partner  
Membership No. 10712**

## Balance Sheet as at 31st March, 2016

Particulars	Note No.	₹ in Lacs	
		As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	755.00	755.00
(b) Reserves and Surplus	2	1,694.40	1,533.87
<b>2 Share Application Money pending allotment</b>		-	-
<b>3 Non-current Liabilities</b>			
(a) Long-Term Borrowings	3	189.61	7.60
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4	0.89	127.14
<b>4 Current liabilities</b>			
(a) Short-Term Borrowings	5	1,467.33	1,765.20
(b) Trade Payables	6	2,789.35	395.87
(c) Other Current Liabilities	7	363.83	176.89
(d) Short-Term Provisions	8	60.50	11.33
<b>TOTAL</b>		<b>7,320.92</b>	<b>4,772.90</b>
<b>II. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	1,497.35	1,242.23
(ii) Intangible Assets		-	-
(b) Non-Current Investments	10	303.89	507.20
(c) Deferred Tax Assets (Net)		82.16	60.65
(d) Long-Term Loans and Advances	11	187.42	221.85
(e) Other Non-Current Assets		-	-
<b>2 Current Assets</b>			
(a) Current Investments	12	-	350.00
(b) Inventories	13	10.02	71.42
(c) Trade Receivables	14	3,080.13	699.84
(d) Cash and Bank Balance	15	718.71	642.37
(e) Short-Term Loans and Advances	16	1,435.44	971.28
(f) Other Current Assets	17	5.80	6.06
<b>TOTAL</b>		<b>7,320.92</b>	<b>4,772.90</b>
Significant Accounting Policies & Other Notes on Financial Statements	23		

As per our attached report of even date

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

**Bipin Shah**  
Partner  
Membership No. 10712

**Date** : 26th August, 2016  
**Place** : Ahmedabad

**For and on behalf of Board of Directors of  
GSEC Limited**

**Rakesh Shah**  
Chairman & Managing Director  
(DIN: 00421920)

**Samir Mankad**  
Whole-time Director  
(DIN: 00421878)

**Chintan Patel**  
Company Secretary  
(M. No.: A29326)

**Date** : 26th August, 2016  
**Place** : Ahmedabad

(Standalone)

## Statement of Profit and Loss for the year ended 31st March, 2016

		₹ in Lacs	
Particulars	Note No.	2015-16	2014-15
<b>I. Revenue from Operations</b>			
Sale of Traded Goods (Gross)		28892.66	23381.66
Less : Excise Duty		-	-
<b>Sale of Trading Goods (Net)</b>		28892.66	23381.66
Sale of Services		2373.21	2071.17
Other Operating Revenues		6.66	9.16
<b>II. Other Income</b>	18	544.03	457.92
<b>III. Total Revenue (I + II)</b>		<b>31816.57</b>	<b>25919.91</b>
<b>IV. Expenses:</b>			
Purchase of Traded Goods		29152.56	23435.87
Changes in Inventories of Stock-in Trade	19	61.40	(25.32)
Employee Benefits Expense	20	322.13	333.79
Finance Costs	21	205.01	262.10
Depreciation and Amortization Expense		269.41	345.19
Other Expenses	22	1526.92	1344.58
<b>Total Expenses</b>		<b>31537.43</b>	<b>25696.21</b>
<b>V. Profit Before Exceptional Items And Tax (III-IV)</b>		<b>279.14</b>	<b>223.70</b>
<b>VI. Exceptional Items</b>	24 (v)	-	180.00
<b>VII. Profit before tax (V- VI)</b>		<b>279.14</b>	<b>43.70</b>
<b>VIII. Tax Expense:</b>			
(1) Current Tax		90.00	70.00
(2) Deferred Tax		(21.52)	(61.55)
(3) Tax Adjustment of Earlier Years		4.68	14.75
<b>IX Profit for the Year(VII-VIII)</b>		<b>205.97</b>	<b>20.50</b>
<b>X Earnings Per Equity Share (in ₹)</b>		<b>2.73</b>	<b>0.27</b>
Significant Accounting Policies	23		
The Accompanying Notes are Integral Parts of the Financial Statements			

As per our attached report of even date

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

**Bipin Shah**  
Partner  
Membership No. 10712

**Date** : 26th August, 2016  
**Place** : Ahmedabad

**For and on behalf of Board of Directors of**  
**GSEC Limited**

**Rakesh Shah**  
Chairman & Managing Director  
(DIN: 00421920)

**Samir Mankad**  
Whole-time Director  
(DIN: 00421878)

**Chintan Patel**  
Company Secretary  
(M. No.: A29326)

**Date** : 26th August, 2016  
**Place** : Ahmedabad

(Standalone)



## Cash Flow Statement for the year ended 31st March, 2016

Particulars	₹ in Lacs	
	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and exceptional items</b>	<b>279.14</b>	<b>223.70</b>
<b>Adjustments For :</b>		
Depreciation	269.41	345.19
Interest Paid	205.01	137.38
Interest received	(72.59)	(123.90)
(Profit)/Loss on Sale of Investments	(73.81)	(21.61)
Excess Provision for earlier year	-	-
(Profit)/Loss on Sale of Fixed Assets	(15.30)	(4.27)
Dividend Received	(2.98)	(0.97)
Profit on Redemption of Mutual Fund	(30.02)	-
Interest on I.T.Refund	(2.27)	0.00
<b>Operating Profit before working capital changes</b>	<b>556.59</b>	<b>555.52</b>
<b>Movements in working capital</b>		
<b>Adjustment for Decrease (Increase) in operating assets</b>		
Decrease in Trade and other Receivables	(2380.29)	2655.23
Decrease in Short Term Loans and Advances	(464.14)	1782.37
(Decrease) in Short Borrowings	(1055.16)	(1012.73)
(Decrease) Trade Payables	2393.48	(1922.21)
(Increase) in other Current Assets	0.26	(2.57)
Decrease in Short Term Provisions	3.73	(84.93)
(Decrease) in other Current Liabilities	186.95	(723.40)
(Increase) in Inventories	61.40	(25.32)
<b>Net Cash Flow from Operating Activities before tax and Exceptional Items (A)</b>	<b>(1253.78)</b>	<b>666.44</b>
Taxes Paid	(74.74)	(62.70)
<b>Net cash generated from operating activities before exceptional items</b>	<b>(771.93)</b>	<b>1159.26</b>
Exceptional Items	-	180.00
<b>Net cash generated from operating activities</b>	<b>(771.93)</b>	<b>979.26</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(560.53)	(213.76)
Sale Proceeds of Fixed Assets	51.30	7.11
Interest received	72.59	123.90
Dividend Received on Investments	2.98	0.97
Purchase of Investments	(91.03)	(420.35)
Sale of Investments	368.15	28.90
Long Term Loans and Advances	380.02	0.00
Decrease in Fixed Deposit	(183.06)	121.57
<b>Net cash flow from investing activities</b>	<b>40.42</b>	<b>(351.66)</b>

(Standalone)

## Cash Flow Statement for the year ended 31st March, 2016 (Contd.)

₹ in Lacs

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Borrowing from Companies	182.01	(27.07)
Other Long Term Loans and Advances	16.76	30.28
Increase in unclaimed Dividend	0.57	(0.34)
Working Capital Borrowings from Banks	757.29	(612.15)
Interest paid	(205.01)	(137.38)
Long term Liabilities	(126.25)	(86.49)
<b>Net cash flow from financing activities</b>	<b>625.37</b>	<b>(833.15)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(106.14)</b>	<b>(205.55)</b>
Cash and cash equivalents at the beginning of the year	192.26	397.81
Cash and cash equivalents at the end of the year	86.12	192.26

As per our attached report of even date

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

**Bipin Shah**  
Partner  
Membership No. 10712

**Date** : 26th August, 2016  
**Place** : Ahmedabad

**For and on behalf of Board of Directors of  
GSEC Limited**

**Rakesh Shah**  
Chairman & Managing Director  
(DIN: 00421920)

**Date** : 26th August, 2016  
**Place** : Ahmedabad

**Samir Mankad**  
Whole-time Director  
(DIN: 00421878)

**Chintan Patel**  
Company Secretary  
(M. No.: A29326)

(Standalone)

## Notes on Financial Statements for the year ended 31st March, 2016

## 1. Share Capital

₹ in Lacs

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of ₹ 10 each	10,030,000	1,003.00	10,030,000	1,003.00
<b>Issued</b>				
Equity Shares of ₹ 10 each	7,550,000	755.00	7,550,000	755.00
<b>Subscribed &amp; fully Paid up</b>				
Equity Shares of ₹ 10 each	7,550,000	755.00	7,550,000	755.00
<b>Total</b>	<b>7,550,000</b>	<b>755.00</b>	<b>7,550,000</b>	<b>755.00</b>

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, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,550,000.00	755.00	7,550,000.00	755.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	<b>7,550,000.00</b>	<b>755.00</b>	<b>7,550,000.00</b>	<b>755.00</b>

## 1.3 Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the liquidator may divide amongst the members, in piece or kind, the whole or any part of the assets of the company, after distribution of all preferential amounts.

## 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, 2016	As at 31st March, 2015
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, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Ltd.	4,783,910	63.36	4,783,910	63.36
Priti R. Shah	1,447,670	19.17	1,447,670	19.17
Rakesh R. Shah	636,090	8.42	636,090	8.42
Shaishav R. Shah	487,270	6.45	487,270	6.45

As per records of company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(Standalone)

**2. Reserves & Surplus**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>a. Securities Premium Account</b>		
As per Last Balance Sheet	337.00	337.00
<b>b. General Reserves</b>		
As per Last Balance Sheet	168.23	168.23
<b>c. Surplus/Deficit in statement of Profit and Loss</b>		
As per Last Balance Sheet	1,028.63	1,008.13
Add : Profit For the Year	205.97	20.50
Less: Proposed Dividend	37.75	-
Less: Tax on Proposed Dividend	7.69	-
	<b>1,189.17</b>	<b>1,028.63</b>
<b>Total</b>	<b>1,694.40</b>	<b>1,533.87</b>

**Non-current Liabilities**
**3. Long-term Borrowings**

₹ in Lacs

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>Secured Loans</b>				
<b>Term loans</b>				
<b>Rupee Loan</b>				
-From Others	189.61	7.60	149.69	27.07
(All above Vehicle loans are secured against Hypothecation of Vehicles)				
	189.61	7.60	149.69	27.07
Amount disclosed under the head *Other Current Liabilities (Refer Note - 7)			149.69	27.07
<b>Total</b>	<b>189.61</b>	<b>7.60</b>	<b>149.69</b>	<b>27.07</b>

\*The Vehicle loans carries rate of interest ranging from 9.45% to 13.00% p.a.

(Standalone)

## Non Current Liabilities

## 4. Other Long Term Liabilities

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Payable		
Due to Micro & Small Enterprise	-	-
Due to Others	0.89	127.14
<b>Total</b>	<b>0.89</b>	<b>127.14</b>

## Current Liabilities

## 5. Short-term Borrowings

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>a) Secured Loans</b>		
Working capital facilities from State Bank of India	838.22	-
Working capital facilities from DCB Bank Limited.	346.77	430.76
Working capital facilities from UCO bank (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 & their relatives)	-	(3.07)
	<b>1,184.99</b>	<b>427.69</b>
<b>b) Unsecured Loans</b>		
<b>(i) Loans from Related Parties</b>		
Komal Infotech Pvt Ltd	41.59	11.48
GSEC Aviation Ltd	208.18	835.00
	<b>249.77</b>	<b>846.47</b>
<b>(ii) Deposits</b>		
Director's Deposit	32.57	491.03
	<b>282.34</b>	<b>1,337.50</b>
<b>Total</b>	<b>1,467.33</b>	<b>1,765.20</b>

**Current Liabilities**
**6. Trade Payables**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Payables - For Expenses	224.46	395.87
Unearned Income	-	-
Others - For Purchases	2,564.89	-
<b>Total</b>	<b>2,789.35</b>	<b>395.87</b>

**Current Liabilities**
**7. Other Current Liabilities**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Current Maturities of long-term debt (Refer Note-3)	149.69	27.07
(b) Unclaimed dividends	3.45	4.02
(c) Statutory Dues Payables	38.74	36.61
(d) Trade/Security Deposit	1.10	-
(e) Advance from Customers	146.22	102.98
(f) Provision for bonus	12.49	6.11
(g) Other Liabilities	12.13	0.09
<b>Total</b>	<b>363.83</b>	<b>176.88</b>

(Standalone)

## Current Liabilities

## 8. Short-term Provisions

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>(a) Provision for employee benefits</b>		
Gratuity (Funded)	3.51	0.05
Leave Encashment (Unfunded)	11.26	10.09
	<b>14.77</b>	<b>10.14</b>
<b>(b) Other Provision</b>		
Proposed Dividend	37.75	-
Tax on Proposed Dividend	7.69	-
Others	0.29	1.19
	<b>45.73</b>	<b>1.19</b>
<b>Total</b>	<b>60.50</b>	<b>11.33</b>

## 9. Fixed Assets

₹ in Lacs

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2015	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation charge for the year	On disposals	Balance as at March 31, 2016	Balance as at March, 2016	Balance as at March, 2015
<b>a. Tangible Assets (Not Under Lease)</b>										
Land - Freehold	20.93	-	-	20.93	-	-	-	-	20.93	20.93
Buildings	864.57	153.83	-	1,018.40	161.85	37.14	-	198.99	819.41	702.72
Plant and Equipment	182.72	83.03	-	265.75	113.46	19.71	-	133.17	132.58	69.27
Furniture and Fixtures	310.21	6.83	-	317.04	182.43	36.03	-	218.46	98.58	127.78
Vehicles	456.05	270.63	162.17	564.50	288.07	85.38	126.17	247.28	317.22	167.97
Office Equipment	411.55	31.33	-	442.88	300.79	60.99	-	361.78	81.10	110.76
Computers	101.91	14.58	-	116.49	83.54	13.64	-	97.18	19.32	18.37
A.C Machines & Plant	45.63	0.29	-	45.92	21.19	16.52	-	37.71	8.21	24.44
<b>Total</b>	<b>2,393.56</b>	<b>560.52</b>	<b>162.17</b>	<b>2,791.91</b>	<b>1,151.32</b>	<b>269.41</b>	<b>126.17</b>	<b>1,294.56</b>	<b>1,497.35</b>	<b>1,242.23</b>
<b>Previous Year</b>	<b>2,197.24</b>	<b>213.76</b>	<b>17.46</b>	<b>2,393.54</b>	<b>820.75</b>	<b>345.19</b>	<b>14.62</b>	<b>1,151.32</b>	<b>1,242.23</b>	<b>1,376.49</b>

(Standalone)

**10. Non-current Investments**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Trade Investments (Valued At Cost)</b>		
<b>Unquoted Investments:</b>		
<b>Non Traded Unquoted, fully paid-up In Wholly Owned Subsidiaries</b>		
50,000 Equity Shares of GSEC Logistics Limited of Rs. 10 each (P.Y.50,000 Shares)	5.00	5.00
95,625 Equity Shares of Komoline Aerospace Limited of Rs. 100 each (P.Y. 95625 Shares)	-	294.33
10,000 GSEC Green Energy Private Limited of Rs. 10 each (P.Y. 10000 Shares)	1.00	1.00
	<b>6.00</b>	<b>300.33</b>
<b>Traded Quoted Investments:</b>		
23,925 Equity Shares fully paid up of Re. 1 each of Adani Enterprises Limited* (P.Y.28,925 Shares of Re. 1 Each)	22.74	76.64
23,925 Equity Shares fully paid up of Re. 1 each of Adani Transmission Limited (P.Y.NIL)	17.30	-
33,789 Equity Shares fully paid up of Re. 1 each of Adani Port Special Economic Zone Limited (P.Y.NIL)	10.18	-
44,490 Equity Shares fully paid up of Re. 1 each of Adani Power Limited (P.Y.NIL)	26.42	-
500 Equity Shares fully paid up of Rs. 10/-each of Reliance Industries Limited (P.Y. 500 Shares of Rs. 10 each))	3.88	3.88
5,750 Equity Shares fully paid up of Rs. 10/- each of Tata Steel Limited (P.Y. 5,750 Shares of Rs. 10 each)	24.81	24.81
10,000 Equity Shares fully paid up of Rs. 2/- each of AXIS Bank Limited (P.Y. 10000 Shares )	40.36	40.36
10,000 Equity Shares fully paid up of Re.1/- each of State Bank of India Limited (P.Y. 10000 Shares )	29.99	29.99
25,000 Equity Shares fully paid up of Re.1/- each of Cadila Healthcare Limited (P.Y. 0 Shares )	79.30	-
1,00,000 Equity Shares fully paid up of Re.1/- each of Neela Infrastructure Limited (P.Y. 0 Shares )	11.72	-
250 Equity Shares fully paid up of Rs. 10 each of GNFC Limited (P.Y. 250 Shares)	0.05	0.05
100 Equity Shares fully paid up of Re. 10 each of PAN India Corporation Limited (P.Y. 1000 Shares)	0.01	0.01
5 Equity Shares fully paid up of Re. 1 each of Pentamedia Graphic Limited (P.Y. 5 Shares)	-	5.00
13700 Equity Shares fully paid up of Re. 1 each of Enrich Industries Limited (P.Y. 13700 Shares)	0.69	0.69
<b>UNQUOTED INVESTMENTS</b>		
667 Equity Shares of GITCO OF Rs.100 each (P.Y. 667 Shares)	0.67	0.67
<b>Investments in Government Securities-Unquoted</b>		
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 Rs. 25/- each (P.Y. 15000 Shares)	3.75	3.75
	<b>272.17</b>	<b>181.14</b>
<b>INVESTMENT IN PROPERTY</b>		
BLOCK D - SILVER ARC APARTMENT	25.72	25.72
<b>Total</b>	<b>303.89</b>	<b>507.20</b>
Aggregate amount of Unquoted Investments	6.67	301.00
Aggregate amount of Quoted Investments (Market Value)	304.28	252.46

\*On 13/06/2015 Adani Enterprises Ltd has declared demerger of its Equity shares into its group companies Equity Shares to existing share holders as on date. So such effect incorporated in the investment note.

(Standalone)



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

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital Advance	30.00	25.00
Deposit and Balance with Government Authorities	4.11	4.11
Deposit with Others	33.72	33.21
Advance Income Tax (Net of Provisions)	42.42	60.08
Other Loans and Advances	77.17	99.45
<b>Total</b>	<b>187.42</b>	<b>221.85</b>

Advance income tax and provisions for taxation have been disclosed on net basis where a legal right to set off exists and the Company intends to settle the assets and liability on a net basis.

**Current Assets****12. Current Investments**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Investment in Mutual Fund</b>		
PRINCIPAL MUTUAL FUND	-	200.00
SBI MAGNUM INSTA CASH FUND - LIQUID FLOATER	-	150.00
<b>Total</b>	<b>-</b>	<b>350.00</b>

**Current Assets****13. Inventories (At Cost or net Realisable Value whichever is lower)**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trading Goods	10.02	71.42
<b>Total</b>	<b>10.02</b>	<b>71.42</b>

**Current Assets****14. Trade Receivables**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured- Considered good</b>		
Outstanding for period exceeding six months	623.27	611.07
Other Receivables	2,456.86	88.77
	<b>3,080.13</b>	<b>699.84</b>
<b>Unsecured, considered doubtful</b>		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>3,080.13</b>	<b>699.84</b>

(Standalone)

**Current Assets**
**15. Cash & Cash Equivalents**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>(I) Cash &amp; Cash Equivalents</b>		
Cash On Hand	2.24	2.92
<b>Balances with Banks</b>		
- In Current Accounts	83.89	189.34
<b>(II) Other Bank Balance</b>		
- In Fixed Deposit Accounts as Margin Money against Bank Guarantee (Maturity more than 3 Months but less than 12 Months)	629.17	446.12
-Unpaid Dividend Accounts	3.42	3.99
<b>Total</b>	<b>718.71</b>	<b>642.37</b>

**Current Assets**
**16. Short-term Loans and Advances**

(Unsecured and Considered Good)

₹ in Lacs

Short term loans and Advances	As at 31st March, 2016	As at 31st March, 2015
Loans and Advances to Related Parties	578.99	638.69
Loans to Employees	7.03	4.66
Prepaid Expenses	101.77	58.19
<b>Balances with Government Authorities</b>		
Service Tax Credit Receivable	47.21	38.24
Sales Tax Credit Receivable	27.66	26.93
Entry Tax	3.45	4.34
Inter Corporate deposits (Metro Global Limited)	550.00	-
Other Loans and Advances	119.34	200.24
<b>Total</b>	<b>1435.44</b>	<b>971.28</b>

**Current Assets**
**17. Other Current Assets (Unsecured and Considered Good)**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest accrued but Not Due	5.19	5.45
Investment in Silver Coins	0.61	0.61
<b>Total</b>	<b>5.80</b>	<b>6.06</b>

(Standalone)

## 18. Other Income

₹ in Lacs

Particulars	2015-16	2014-15
<b>Interest Income :</b>		
- Interest on Bank Deposits	72.59	123.90
- Interest on I.T. Refund	2.27	3.15
- Interest on Sales Tax Refund	-	3.93
<b>Other non-operating income :</b>		
Dividend Income From Non- Current investments	2.98	0.97
Profit on Sale of Mutual Fund	30.02	-
Profit on Sale of Fixed Assets	15.30	4.27
Profit on sale of Traded Investments	73.81	21.61
Compensation on Contract Cancellation	150.00	-
Foreign Exchange Difference	0.52	(21.55)
Bad Debts Recover Account	1.50	-
Excess Provision for Earlier Year	1.15	0.45
Duty Drawback	-	17.84
Misc. Income	17.19	10.92
Misc./Dr./Cr. Balance Written Back	176.71	60.54
Rate Difference	-	74.70
Kasar/Discount	-	0.14
Custom Duty Refund	-	157.05
<b>Total</b>	<b>544.03</b>	<b>457.92</b>

## 19. Change in Inventories of Finished Goods

₹ in Lacs

Particulars	2015-16	2014-15
Inventories (At Close)		
Finished Goods / Stock in Trade	10.02	71.42
Inventories (At Commencement)		
Finished Goods / Stock in Trade	71.42	46.10
<b>Total</b>	<b>61.40</b>	<b>(25.32)</b>

## 20. Employee Benefits Expense

₹ in Lacs

Particulars	2015-16	2014-15
(a) Salaries and Incentives	201.81	207.78
(b) Remuneration to Directors	75.17	71.62
(c) Contributions to -		
(i) Superannuation Scheme	11.82	10.53
(ii) Gratuity Fund	3.98	6.66
(d) Staff Welfare Expenses	29.35	37.20
<b>Total</b>	<b>322.13</b>	<b>333.79</b>

## 21. Finance Costs

₹ in Lacs

Particulars	2015-16	2014-15
Interest Expense	106.82	137.38
Bank Charges	20.36	48.16
Other Borrowing Costs	77.82	76.56
<b>Total</b>	<b>205.01</b>	<b>262.10</b>

(Standalone)

**22. Other Expenses**

₹ in Lacs

Particulars	2015-16	2014-15
Rent and License Fees	213.24	153.11
Land Lease Rent for Guest House	6.85	6.38
Rates and Taxes	3.15	3.28
Insurance	17.35	22.41
Employer/Employee Insurance	112.75	89.14
Electricity	67.65	55.26
Stationery and Printing	5.80	10.27
Postage and Telephone	15.97	13.21
Repair & Maintenance Charges		
- Building	210.76	126.26
- Others	4.13	4.68
Auditors Remuneration:		
- Audit Fee	0.86	0.84
- Tax Audit Fee	0.17	0.17
Professional Fees and Legal Expenses	37.97	40.17
Vehicle & Conveyance Expenses	18.92	18.08
Advertisement & Publicity Expenses	10.23	13.97
Travelling Expenses	134.18	148.27
Guest House Expenses	13.35	15.31
Miscellaneous Expenses	64.60	57.75
Director fees & travelling	1.24	0.99
Sales Promotion	91.75	52.97
Security Expenses	46.41	39.46
Royalty	318.62	254.33
Packing Materials	26.39	70.25
Donation	14.79	10.20
Bad Debts Written Off	39.81	73.74
Misc. Dr/Cr/Written off	10.70	-
Commission and Agency Commssion	15.00	16.52
Deputation Charges to Custom Department	21.59	39.15
Cargo Handling Expenses	0.10	1.68
Discount/Rate Difference Expenses	2.00	5.45
Prior Period Expenses	0.56	0.22
Loss on Insurance Claim	-	1.08
<b>Total</b>	<b>1,526.92</b>	<b>1,344.58</b>

(Standalone)

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

### The Company and Nature of its Operations:

GSEC Limited, (CIN: U52100GJ1965PLC001347) which was a Government Company formerly known as Gujarat State Export Corporation Limited, is primarily engaged in the activities of Export - Import facilities and trading business. The Company is custodian of Air Cargo Complexes at Ahmedabad, Indore, Raipur and Visakhapatnam. At Visakhapatnam, it operates the Air Cargo complex under an Operations and Maintenance Arrangement with Andhra Pradesh Trade Promotion Corporation Limited (APTPC). Recently, the Company has also been awarded the contract for operation and management of common user domestic air cargo terminal at Raipur by the Airports Authority of India. The Company also deals in various including but not limited to Bitumen, Dyes, Chemicals, Air Turbine Fuel, Petcoke, Furnace Oil, Petroleum Products etc.

### NOTE-23: NOTES FORMING PART OF ACCOUNTS

#### I. Significant Accounting Policies:

##### 1. Basis for preparations of financial statements:

The financial statements are prepared in accordance with the generally accepted accounting principles ("GAAP") in India under the historical cost convention on an accrual basis and are in conformity with mandatory accounting standards, as prescribed under the Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### 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 tangible assets is provided on written down value method over the useful lives of the assets as prescribed in Schedule II of the Companies Act, 2013.

Wherever the useful lives of the assets are mentioned in Schedule-II is over on or before 31-03-2014 from their acquisition year, after retaining 5% of the cost value as realizable value. The excess Written down value of such Assets are charged to Profit & Loss Account.

Where the details of the assets acquired prior to 01-04-2004 were not available, the year of acquisition of such Assets are taken as certified by Management.

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

##### 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 loss so determined and also the realized exchange gains/losses are recognized in the Profit & Loss Account.

**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.

**24. OTHER NOTES FORMING PART OF ACCOUNTS:**

## (i) Details of Payments to Auditor

₹ in Lacs

Particulars	2015-16	2014-15
a. To Auditors	1.01	1.01
b. For Taxation Matters	-	-
c. Certification (Included in Fees and Legal Expenses)	-	-
<b>Total</b>	<b>1.01</b>	<b>1.01</b>

(ii) Salaries and wages of ₹ 75.17 Lacs (Previous Year ₹ 71.62 Lacs) being the remuneration to Executive Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 197 read with Schedule V of the Companies Act, 2013.

(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 ₹ 2974 Lacs (Previous Year ₹ 2135 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 in 2013-14 under protest.
- d. Demand raised in 2012-13 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.
- e. Demand raised in 2012-13 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, the Company has deposited ₹ 25 Lacs under protest.
- f. The Additional Commissioner Service Tax, Ahmedabad has raised the demand of ₹ 39.02 Lacs for the year 2009-10 to 2012-13 on 16.09.2014 for non-payment of Service Tax on rendering services on Cold Storage activities which is partly exempt/chargeable at lower rate. As the Company has not accepted the above demand fully and hence no provision in the books of Accounts has been made. However Company has deposited ₹ 14.07 Lacs under protest.

(v) Exceptional Items: In Previous Year exceptional items of ₹ 180 Lacs represent the loss of Joint Venture business of Decoration and Event Management by developing a Party plot called as Ozone-9 owned by Gandhi Corporation.

(Standalone)

(vi) Disclosures pursuant to Accounting Standard (AS) 15 (Revised)

**Employees Benefits:** Defined Benefits Plans as per Actuarial Valuation on March 31, 2016.

₹ in Lacs

Sr.No.	Particulars	Gratuity		Leave Encashment	
		31-03-2016	31-03-2015	31-03-2016	31-03-2015
<b>1.</b>	<b>The amounts recognized in the Balance Sheet as at the end of the year</b>				
	• Present Value of Funded Obligation	(43.82)	41.70	--	--
	• Fair Value of Plan Assets	40.31	41.65	--	--
	• Present Value of Unfunded Obligation	--	--	10.09	10.09
	• Net( Assets)/liability	(3.51)	0.05	10.09	10.09
<b>2.</b>	<b>The amounts recognized in Profit and Loss Account for the year</b>				
	• Current Service Cost	4.38	3.71	1.01	1.01
	• Interest Cost	0.01	3.18	0.74	0.74
	• Expected Return on Plan Assets	--	3.54	--	--
	• Actuarial (Gains)/Losses	(0.39)	(1.50)	1.40	1.40
	• Actual Return on Plan Assets	--	--	--	--
	• Total Expenses	3.99	0.66	--	--
<b>3.</b>	<b>The Changes in Obligations during the year</b>				
	• Present value of Defined benefit Obligation at the beginning of the year	41.70	34.10	7.93	7.93
	• Current Service Cost	4.38	3.71	1.01	1.01
	• Interest Cost	3.33	3.18	0.74	0.74
	• Actuarial (Gains)/Losses	(0.60)	(1.50)	1.09	1.09
	• Benefit Payments	(4.99)	(2.58)	(0.68)	(0.68)
	• Present value of Defined Benefit Obligation at the end of the year	43.82	41.70	10.09	10.09
<b>4.</b>	<b>The changes in Plan Assets during the year</b>				
	• Plan Assets at the beginning of the year	41.65	40.72	--	--
	• Actuarial gains and (losses)	(0.21)	(0.03)	--	--
	• Contribution by Employer	0.54	--	--	--
	• Actual Benefit Paid	(4.99)	(2.58)	--	--
	• Plan assets at the end of the year	40.31	41.65	--	--
	• Actual return on Plan Assets	3.33	3.54	--	--

Sr. No.	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>5.</b>	<b>Actuarial Assumption :</b>		
	Discount Rate	7.96%	7.96%
	Turnover Rate	--	---
	Mortality		
	Salary Escalation Rate	7%	7%
	Retirement age	58 Years	58 Years

(Standalone)

## (vii) 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**

Nature of Relationship	Name of Related Party
Holding Company	Komal Infotech Private Limited
Subsidiary Company	GSEC Logistics Limited
	GSEC Green Energy Private Limited
Fellow Subsidiary Company	GSEC Aviation Limited
	Komal Infraventures Private Limited
Key Management Personnel	Rakesh Ramanlal Shah
	Samir Hanskumar Mankad
	Shaishav Rakeshkumar Shah
Relative of Key Management Personnel	Priti Rakesh Shah
Other Related parties (Enterprise owned or significantly influenced by Key Management personnel)	GSEC Infrastructure Private Limited
	Kalpavruksha Estate And Finance Private Limited
	Keshav Land Developers Private Limited
	Prerak Capital Services Private Limited
	Vishwa Imports LLP

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

₹ in Lacs

Nature of Transaction	Holding Company	Subsidiaries		Fellow Subsidiary Company	Relative of Director	Key Management Personnel		
		GSEC Logistics Ltd	GSEC Green Energy Pvt. Limited			GSEC Aviation Limited	Priti R. Shah	Rakesh R. Shah
Rent Paid	-	-	-	-	6.56	-	2.73	-
Interest Paid	15.88	-	-	16.07	-	10.89	9.96	-
Interest Received	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	36.00	16.85	22.32
Advance Outstanding	(41.59)	369.86	205.93	(208.18)	-	(9.98)	(22.59)	-
Loan Taken	2225.50	-	-	839.00	-	370.00	235.00	-
Loan Granted	-	3.06	579.08	-	-	-	-	-
Loan Repaid	2209.69	-	-	1480.29	-	575.11	507.12	-
Loan Repaid by	-	5.60	639.00	-	-	-	-	-

(Standalone)



(viii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2016 amounting to ₹ 82.16 Lacs (2014-15 ₹ 60.66 Lacs) has been arrived at as follows.

₹ in Lacs

Deferred Tax Assets arising from	2015-16	2014-15
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years		
Depreciation	83.66	59.65
Gratuity & Leave Encashment	2.25	0.72
Bonus Provision	2.74	0.29
Others	(6.49)	0.00
<b>Net Deferred Tax Assets/(Liability)</b>	<b>82.16</b>	<b>60.66</b>

The tax impact for the above purpose has been arrived by applying a tax Rate of 33.063% 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.

(ix) Earning Per Share (EPS)

₹ in Lacs

Particulars	2015-16	2014-15
Net profit/(Loss) after Tax	205.97	20.50
Number of Equity Share	7550000	7550000
Nominal Value of Equity Share	10.00	10.00
Basic & Diluted Earning Per Share (In ₹)	2.73	0.27

(x) Other information required in terms of Clause 5 (viii) of Part-II of Schedule III to the Companies Act, 2013.

₹ in Lacs

Particulars	2015-16	2014-15
a. C.I.F. value of imports of:		
Trading Goods	-	-
Spare parts	-	-
Capital Goods	42.89	-
b. Expenditure in Foreign Currency:		
on Foreign Travel	67.06	70.90
c. Expenditure in Foreign Currency:		
on purchase of capital items	-	-
d. Consumption of:		
i. Raw Materials	-	-
ii. Store and Spares Parts	-	-
e. Remittance in Foreign Currency		
On accounts of Agency Commission	-	-
f. Earning in Foreign Exchange		
Value of Goods Exported)	-	-

(xi) As per the requirement of Schedule III of the Companies Act, 2013, 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.

(Standalone)

**25. 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, 2016

					(₹ In Lacs)	
					Total	
	Cargo Handling Service		Trading Activities			
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>A. Revenue</b>						
Services/Sales Revenue	2373.21	2071.17	28899.32	23390.82	31272.53	25461.99
Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	2373.21	2071.17	28899.32	23390.82	31272.53	25461.99
<b>B. Result</b>						
Segment Result Profit/Loss	2373.21	1624.58	(314.64)	(19.73)	2058.57	1604.85
Other Income excluding Interest Income					469.17	326.94
Other Unallocable Expenses					2118.46	1756.97
Operating Profit					409.28	174.82
Interest Income					74.86	130.98
Interest Expenses					205.01	262.10
Profit Before Tax					279.13	43.70
Provision For Income Tax (including Deferred Tax)					73.16	23.20
<b>Net Profit</b>					205.97	20.50
<b>C. Other Information</b>						
Capital Employed						
Segment Assets	2129.42	1477.82	4887.59	2437.87	7017.01	3915.69
Segment Liabilities	312.84	146.51	2701.72	564.71	3214.56	711.22
Other Unallocable Corporate Assets and Liabilities	0.00	0.00	0.00	0.00	(1353.05)	(915.61)
<b>Total Capital Employed</b>					<b>2649.40</b>	<b>2288.86</b>
Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	272.34	149.32	288.18	64.45	560.52	213.77
Other Unallocable Capital Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	272.34	149.32	288.18	64.45	560.52	213.77
<b>D. Segment Depreciation</b>	184.39	238.99	85.02	106.20	269.41	345.19
<b>E. Non Cash Expenses other than Depreciation</b>	0.00	0.00	39.81	73.74	39.81	73.74

As per our attached report of even date

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

**Bipin Shah**  
Partner  
Membership No. 10712

Date : 26th August, 2016  
Place : Ahmedabad

For and on behalf of Board of Directors of  
GSEC Limited

**Rakesh Shah**  
Chairman & Managing Director  
(DIN: 00421920)

Date : 26th August, 2016  
Place : Ahmedabad

**Samir Mankad**  
Whole-time Director  
(DIN: 00421878)

**Chintan Patel**  
Company Secretary  
(M. No.: A29326)

(Standalone)

## INDEPENDENT AUDITOR'S REPORT

**To the Members of GSEC Limited**

**The group comprising of Holding company GSEC Limited & its subsidiaries,**

**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of **The group comprising of Holding company GSEC Limited ("the Company) & its subsidiaries, GSEC Green Energy Pvt. Limited and GSEC Logistics Pvt. Limited** (together referred to as "the Group"), which comprise the Balance Sheet as at 31st March, 2016, 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 Consolidated Financial Statements**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

(Consolidated)

**Report on other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books
  - c) the Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the holding Company and the subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The company does not have any pending litigations which would impact on the financial statements of the company.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Bipin Shah  
Partner  
Membership No. 10712**

**Date : 26th August, 2016**

**Place : Ahmedabad**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GSEC Limited ("the Company") and its subsidiaries incorporated in India as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Management of The Holding Company and its subsidiaries is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

(Consolidated)

**Opinion**

In our opinion, the Holding Company and its subsidiaries, which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Date : 26th August, 2016**

**Place : Ahmedabad**

**Bipin Shah  
Partner  
Membership No. 10712**

## Consolidated Balance Sheet as at 31st March, 2016

		₹ in Lacs	
Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	755.00	755.00
(b) Reserves and surplus	2	1628.53	1448.47
<b>2 Share Application Money pending allotment</b>			
		-	-
<b>3 Minority Interest</b>			
		-	163.80
<b>4 Non-current Liabilities</b>			
(a) Long-term borrowings	3	338.78	7.60
(b) Deferred tax liabilities (Net)		-	10.24
(c) Other Long term liabilities	4	0.89	127.14
(d) Long-term provisions		-	-
<b>5 Current liabilities</b>			
(a) Short-term borrowings	5	1550.25	2265.01
(b) Trade payables	6	2797.54	491.41
(c) Other current liabilities	7	368.87	485.71
(d) Short-term provisions	8	61.48	33.10
<b>TOTAL</b>		<b>7501.34</b>	<b>5787.48</b>
<b>II. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	9	2089.56	1955.58
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	72.16
(iv) Intangible assets under development		-	-
(v) Goodwill on Consolidation		-	141.78
(b) Non-current investments	10	298.04	208.39
(c) Deferred tax assets (net)		82.16	60.65
(d) Long-term loans and advances	11	207.98	274.03
(e) Other non-current assets		-	-
<b>2 Current Assets</b>			
(a) Current investments	12	-	350.00
(b) Inventories	13	10.02	470.72
(c) Trade receivables	14	3206.11	1170.94
(d) Cash and cash equivalents	15	721.86	693.92
(e) Short-term loans and advances	16	878.48	334.48
(f) Other current assets	17	7.13	54.83
<b>TOTAL</b>		<b>7501.34</b>	<b>5787.48</b>
Significant Accounting Policies & Other Notes on Financial Statements		23	

As per our attached report of even date

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

**Bipin Shah**  
Partner  
Membership No. 10712

**Date** : 26th August, 2016  
**Place** : Ahmedabad

**For and on behalf of Board of Directors of  
GSEC Limited**

**Rakesh Shah**  
Chairman & Managing Director  
(DIN: 00421920)

**Samir Mankad**  
Whole-time Director  
(DIN: 00421878)

**Chintan Patel**  
Company Secretary  
(M. No.: A29326)

**Date** : 26th August, 2016  
**Place** : Ahmedabad

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

		₹ in Lacs	
Particulars	Note No.	2015-16	2014-15
<b>I. Revenue from Operations</b>			
Sale of Products		28892.66	23897.98
Sale of Services		2373.21	2288.53
Other Operating Revenues		6.66	9.78
Less:			
Excise duty		-	30.20
<b>II. Other Income</b>	18	<b>717.23</b>	<b>719.32</b>
<b>III. Total Revenue (I + II)</b>		<b>31989.76</b>	<b>26885.41</b>
<b>IV. Expenses:</b>			
Cost of Trading goods sold		29152.56	23711.81
Purchases of Stock in Trade		-	37.28
Changes in Inventories of Stock-in Trade	19	61.40	(99.99)
Employee benefits expense	20	322.13	569.98
Finance costs	21	206.05	307.51
Depreciation and amortization expense		302.47	409.50
Other expenses	22	1652.00	1599.90
<b>Total Expenses</b>		<b>31696.61</b>	<b>26535.99</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>293.15</b>	<b>349.42</b>
<b>VI. Exceptional Items</b>		-	<b>180.00</b>
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>293.15</b>	<b>169.42</b>
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>293.15</b>	<b>169.42</b>
<b>X. Tax Expense:</b>			
(1) Current tax		90.96	73.60
(2) Deferred tax		(21.52)	(61.56)
(3) Short Provision For Last Years		4.95	10.95
<b>XI. Profit/(Loss) for the period from continuing operations (IX-X)</b>		<b>218.75</b>	<b>146.42</b>
<b>XII. Profit/(Loss) from discontinuing operations</b>		-	-
<b>XIII. Tax expense of discontinuing operations</b>		-	-
<b>XIV. Profit/(Loss) from Discontinuing operations (After tax) (XII-XIII)</b>		-	-
<b>XV. Profit/(Loss) transferred to Minority Interest</b>		-	8.23
<b>XVI. Profit/(Loss) for the period (XI + XIV)</b>		<b>218.75</b>	<b>138.19</b>
<b>XVII. Earnings per equity share (in ₹)</b>		<b>2.90</b>	<b>1.83</b>

As per our attached report of even date

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

**Bipin Shah**  
Partner  
Membership No. 10712

**Date** : 26th August, 2016  
**Place** : Ahmedabad

For and on behalf of Board of Directors of  
GSEC Limited

**Rakesh Shah**  
Chairman & Managing Director  
(DIN: 00421920)

**Date** : 26th August, 2016  
**Place** : Ahmedabad

**Samir Mankad**  
Whole-time Director  
(DIN: 00421878)

**Chintan Patel**  
Company Secretary  
(M. No.: A29326)

(Consolidated)



## Consolidated Cash Flow Statement for the year ended 31st March, 2016

₹ in Lacs

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and exceptional items</b>	<b>293.14</b>	<b>349.43</b>
<b>Adjustments For</b>		
Depreciation	302.47	409.49
Interest Paid	206.06	172.77
Interest received	(72.81)	(132.93)
(Profit)/Loss on Sale of Investments	(49.13)	(45.33)
Excess Provision for earlier year	(1.15)	-
(Profit)/Loss on Sale of Fixed Assets	(15.30)	(4.27)
Dividend Received	(98.14)	(0.97)
Rent Income	-	(3.03)
Profit on redemption of Mutual fund	72.95	-
Interest on IT refund	(2.28)	-
Misc.Dr./Cr. Written off	10.70	-
<b>Operating Profit before working capital changes</b>	<b>646.51</b>	<b>744.96</b>
<b>Movements in working capital</b>		
<b>Adjustment for Decrease (Increase) in operating assets</b>		
Decrease in Inventories	478.66	(98.66)
(Increase) in Trade and other Receivables	(2035.18)	2,510.33
(Increase) in Short Term Loans and Advances	(544.01)	1,854.27
Decrease in other Current Assets	47.70	(37.93)
(Decrease) in Short Term Borrowings	(714.75)	(1,230.53)
Increase in Trade Payables	2306.13	(1,902.38)
(Decrease) in other Current Liabilities	(96.68)	(476.65)
Increase in Short Term Provisions	(27.71)	(84.87)
<b>Net Cash Flow from Operating Activities before tax and Exceptional Items (A)</b>	<b>(1064.50)</b>	<b>533.58</b>
Taxes Paid	(74.56)	(62.70)
<b>Net cash generated from operating activities before exceptional items</b>	<b>(492.55)</b>	<b>1,215.84</b>
Exceptional Items	-	180.00
<b>Net cash generated from operating activities</b>	<b>(492.55)</b>	<b>1,035.84</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(560.52)	(313.50)
Reduction due to sale of subsidiary	145.24	-
Sale Proceeds of Fixed Assets	51.30	7.11
Interest received	72.81	132.93
Dividend Received on Investments	98.14	0.97

(Consolidated)

## Consolidated Cash Flow Statement for the year ended 31st March, 2016 (Contd.)

₹ in Lacs

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Purchase of Investments	(89.66)	(420.35)
Sale of Investments	-	96.21
Sale of Investments in subsidiary	368.15	-
Redemption of mutual Fund	277.05	-
Long Term Loans and Advances	(11.19)	-
Decrease in Fixed Deposit	-	121.57
<b>Net cash flow from investing activities</b>	<b>217.31</b>	<b>(394.69)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term Borrowing (Net off repayment)	331.18	(27.07)
Addition/Repayment of Secured/Unsecured Loans (Net)		
Other Long Term Loans and Advances	(126.25)	30.96
Decrease in unclaimed Dividend	0.57	(0.34)
Term Loan Repaid to Banks & others	-	15.00
Working Capital Borrowings from Banks	-	(608.85)
Interest paid	(206.06)	(172.77)
Decrease in Minority interest on sale of subsidiary	-	170.29
Long Term Liabilities	-	(86.49)
<b>Net cash flow from financing activities</b>	<b>169.73</b>	<b>(849.56)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(105.51)</b>	<b>(208.41)</b>
Cash and cash equivalents at the beginning of the year	194.78	403.20
Cash and cash equivalents at the end of the year	89.27	194.78

As per our attached report of even date

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

**Bipin Shah**  
Partner  
Membership No. 10712

**Date** : 26th August, 2016  
**Place** : Ahmedabad

**For and on behalf of Board of Directors of  
GSEC Limited**

**Rakesh Shah**  
Chairman & Managing Director  
(DIN: 00421920)

**Date** : 26th August, 2016  
**Place** : Ahmedabad

**Samir Mankad**  
Whole-time Director  
(DIN: 00421878)

**Chintan Patel**  
Company Secretary  
(M. No.: A29326)

(Consolidated)

## Notes on Consolidated Financial Statements for the year ended 31st March, 2016

### 1. Share Capital

₹ in Lacs

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
<b>Authorised</b> Equity Shares of ₹ 10 each	10,030,000	1,003.00	10,030,000	1,003.00
<b>Issued</b> Equity Shares of ₹ 10 each	7,550,000	755.00	7,550,000	755.00
<b>Subscribed &amp; fully Paid up</b> Equity Shares of ₹ 10 each	7,550,000	755.00	7,550,000	755.00
<b>Total</b>	<b>7,550,000</b>	<b>755.00</b>	<b>7,550,000</b>	<b>755.00</b>

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, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,550,000.00	755.00	7,550,000.00	755.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	<b>7,550,000.00</b>	<b>755.00</b>	<b>7,550,000.00</b>	<b>755.00</b>

### 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, 2013.

### 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, 2016	As at 31st March, 2015
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, 2016		As at 31st March, 2015	
	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	1,447,670	19.17	1,447,670	19.17
Rakesh R. Shah	635,940	8.42	635,940	8.42
Shaishav R. Shah	487,270	6.45	487,270	6.45

(Consolidated)

**2. Reserves & Surplus**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>a. Capital Reserve</b>	15.00	15.00
<b>b. Securities Premium Account</b>		
Opening Balance	337.00	337.00
Add : Securities premium credited on Share issue	-	-
<b>Closing Balance</b>	<b>337.00</b>	<b>337.00</b>
<b>c. General Reserves</b>		
Opening Balance	168.23	168.23
(+) Current Year Transfer	-	-
<b>Closing Balance</b>	<b>168.23</b>	<b>168.23</b>
<b>d. Surplus/Deficit in statement of Profit and Loss</b>		
Opening balance	934.99	790.04
(+) Net Profit/(Net Loss) For the current year	218.75	138.19
(+) Transfer from Reserves	-	-
(-) Short Provision of income tax of earlier years	-	-
(-) Proposed Dividend	37.75	-
(-) Tax on Proposed Dividend	7.69	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
<b>Closing Balance</b>	<b>1,108.30</b>	<b>928.23</b>
<b>Total</b>	<b>1,628.53</b>	<b>1,448.47</b>

**Non-current Liabilities**
**3. Long-term Borrowings**

₹ in Lacs

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
<b>Secured Loans</b>				
<b>Term loans</b>				
<b>Rupee Loan</b>				
-From Banks	-	-	-	-
-From Others	338.78	7.60	149.69	27.07
(All above loans are secured against Hypothecation of Motor cars)				
	338.78	7.60	149.69	27.07
Amount disclosed under the head *Other Current Liabilities (Note - 7)			149.69	27.07
<b>Total</b>	<b>338.78</b>	<b>7.60</b>	<b>149.69</b>	<b>27.07</b>

\* The vehicle loans carries rate of interest ranging from 9.45% to 13.00% p.a.

(Consolidated)

## Non Current Liabilities

## 4. Other Long Term Liabilities

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Payable	-	-
Due to Others	0.89	127.14
<b>Total</b>	<b>0.89</b>	<b>127.14</b>

## Current Liabilities

## 5. Short-term Borrowings

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>a) Secured Loans</b>		
Working capital facilities from State Bank of India	838.22	-
Working capital facilities from UCO Bank	-	(3.07)
Working capital facilities from DCB Bank Limited (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)	346.77	430.76
Working Capital facilities from Bank of Maharashtra (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 and Corporate Guarantee of GSEC Ltd. & Komal Infotech Pvt. Ltd.)	-	276.78
	<b>1,184.99</b>	<b>695.47</b>
<b>b) Unsecured Loans</b>		
<b>(i) Loans repayable on demand</b>		
-From Others (Metro Global Limited)	82.92	82.87
	<b>82.92</b>	<b>82.87</b>
<b>(ii) Loans from Related parties</b>		
Komal Infotech Private Limited	41.59	11.48
GSEC Aviation Limited	208.18	835.00
	<b>249.77</b>	<b>846.48</b>
<b>(iii) Deposits</b>		
Directors' Deposit	32.57	640.19
	<b>365.26</b>	<b>1,569.54</b>
<b>Total</b>	<b>1,550.25</b>	<b>2,265.01</b>

**Current Liabilities**
**6. Trade Payables**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trade Payables	2,797.54	491.41
Unearned Income	-	-
Others	-	-
<b>Total</b>	<b>2,797.54</b>	<b>491.41</b>

**Current Liabilities**
**7. Other Current Liabilities**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Current maturities of long-term debt	149.69	27.07
(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	3.45	4.02
(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	-	4.61
<b>Other payables (specify nature)</b>		
a) Statutory Dues Payables	39.26	37.25
b) Trade/Security Deposit	4.31	3.21
c) Advance from Customers	147.54	360.01
d) Provision for Leave encashment	-	-
e) Provision for bonus	12.49	11.25
f) Other Liabilities	12.13	38.28
<b>Total</b>	<b>368.87</b>	<b>485.71</b>

**Current Liabilities**
**8. Short-term Provisions**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>(a) Provision for employee benefits</b>		
Gratuity (Funded)	3.51	22.75
Leave Encashment (Unfunded)	11.26	20.20
	<b>14.77</b>	<b>42.95</b>
<b>(b) Others</b>		
Proposed Dividend	37.75	-
Tax on Proposed Dividend	7.69	-
Other Provisions	1.27	(9.85)
	<b>46.71</b>	<b>(9.85)</b>
<b>Total</b>	<b>61.48</b>	<b>33.10</b>

(Consolidated)

₹ in Lacs

## 9. Fixed Assets

Particulars	Gross Block			Accumulated Depreciation					Net Block			
	Balance as at April 1, 2015	Additions/ (Disposals)	Deductions/ Adjustments	Revaluations/ (Impairments)	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at March 31, 2016	Balance as at March, 2016	Balance as at March, 2015
<b>a. Tangible Assets (Not Under Lease)</b>												
Land	395.47	0.00	0.00	0.00	395.47	0.00	0.00	0.00	0.00	0.00	395.47	395.47
Buildings	1066.83	153.83	0.00	39.10	1181.56	203.46	44.13	21.94	0.00	225.65	955.91	863.37
Plant and Equipment	518.82	83.03	0.00	190.45	411.40	297.35	37.19	129.91	0.00	204.63	206.77	221.47
Furniture and Fixtures	330.66	6.83	0.00	15.88	321.61	199.86	36.68	15.18	0.00	221.36	100.25	130.80
Vehicles	465.22	270.63	162.17	8.67	565.01	296.24	85.44	7.84	126.17	247.67	317.34	168.98
Office Equipment	468.37	31.33	0.00	15.92	483.78	339.35	68.88	10.74	0.00	397.49	86.29	129.02
Computers	147.14	14.58	0.00	45.23	116.49	126.53	13.64	42.99	0.00	97.18	19.31	20.61
A.C Machines & Plant	50.67	0.29	0.00	5.05	45.91	24.81	16.51	3.62	0.00	37.70	8.21	25.86
<b>Total (i)</b>	<b>3443.18</b>	<b>560.52</b>	<b>162.17</b>	<b>320.30</b>	<b>3521.25</b>	<b>1487.60</b>	<b>302.47</b>	<b>232.22</b>	<b>126.17</b>	<b>1431.68</b>	<b>2089.56</b>	<b>1955.59</b>
Capital Work In Progress Building under construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total (ii)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>3443.18</b>	<b>560.52</b>	<b>162.17</b>	<b>320.30</b>	<b>3521.25</b>	<b>1487.60</b>	<b>302.47</b>	<b>232.22</b>	<b>126.17</b>	<b>1431.68</b>	<b>2089.56</b>	<b>1955.59</b>
<b>Previous Year's Details</b>	<b>2913.90</b>	<b>400.56</b>	<b>95.18</b>	<b>0.00</b>	<b>3219.28</b>	<b>926.62</b>	<b>218.64</b>	<b>0.00</b>	<b>52.55</b>	<b>1092.71</b>	<b>2126.57</b>	<b>1987.28</b>

(Consolidated)

**10. Non-current Investments**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Other Investments</b>		
<b>Investment in Equity Instruments</b>		
<b>QUOTED INVESTMENTS</b>		
23,925 Equity Shares fully paid up of Re. 1 each of Adani Enterprises Limited* (P.Y.28,925 Shares of Re. 1 Each)	22.74	76.64
23,925 Equity Shares fully paid up of Re. 1 each of Adani Transmission Limited (P.Y.NIL)	17.30	-
33,789 Equity Shares fully paid up of Re. 1 each of Adani Port Special Economic Zone Limited (P.Y.NIL)	10.18	-
44,490 Equity Shares fully paid up of Re. 1 each of Adani Power Limited (P.Y.NIL)	26.42	-
500 Equity Shares fully paid up of Rs. 10/-each of Reliance Industries Limited (P.Y. 500 Shares of Rs. 10 each))	3.88	3.88
5,750 Equity Shares fully paid up of Rs. 10/- each of Tata Steel Limited (P.Y. 5,750 Shares of Rs. 10 each)	24.81	24.81
10,000 Equity Shares fully paid up of Rs. 2/- each of AXIS Bank Limited (P.Y. 10000 Shares )	40.36	40.36
10,000 Equity Shares fully paid up of Re.1/- each of State Bank of India Limited (P.Y. 10000 Shares )	29.99	29.99
25,000 Equity Shares fully paid up of Re.1/- each of Cadila Healthcare Limited (P.Y. 0 Shares )	79.30	-
1,00,000 Equity Shares fully paid up of Re.1/- each of Neela Infrastructure Limited (P.Y. 0 Shares )	11.72	-
250 Equity Shares fully paid up of Rs. 10 each of GNFC Limited (P.Y. 250 Shares)	0.05	0.05
100 Equity Shares fully paid up of Re. 10 each of PAN India Corporation Limited (P.Y. 1000 Shares)	0.01	0.01
5 Equity Shares fully paid up of Re. 1 each of Pentamedia Graphic Limited (P.Y. 5 Shares)	-	-
13700 Equity Shares fully paid up of Re. 1 each of Enrich Industries Limited (P.Y. 13700 Shares)	0.69	0.69
<b>UNQUOTED INVESTMENTS</b>		
667 Equity Shares of GITCO OF Rs.100 each (P.Y. 667 Shares)	0.67	0.67
Investments in Government Securities-Unquoted		
7 Years National Savings Certificates	0.25	0.25
7 Years National Savings Certificates (Deposited with Governor of Karwar)	0.20	0.20
15000 Equity Shares of Kalupur Commercial Co.Op. Bank Limited of Rs. 25/- each (P.Y. 15000 Shares)	3.75	5.13
	<b>272.32</b>	<b>182.67</b>
<b>INVESTMENT IN PROPERTY</b>		
BLOCK D - SILVER ARC APARTMENT	25.72	25.72
<b>Total</b>	<b>298.04</b>	<b>208.39</b>
Aggregate amount of Quoted Investments (Market Value)	<b>304.28</b>	<b>252.46</b>

\*On 13/06/2015 Adani Enterprises Ltd has declared demerger of its Equity shares into its group companies Equity Shares to existing share holders as on date. So such effect incorporated in the investment note.

(Consolidated)



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

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital Advance	49.16	44.16
Deposit and Balance with Government Authorities	4.11	4.11
Deposit with Others	34.80	65.66
Advance Income Tax (Net of Provisions)	42.74	60.39
Other Loans and Advances	77.17	99.71
<b>Total</b>	<b>207.98</b>	<b>274.03</b>

**Current Assets****12. Current Investments**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Investment in Mutual Fund</b>		
Principal Mutual Fund	-	200.00
SBI Magnum Insta Cash Fund - Liquid Floater	-	150.00
<b>Total</b>	<b>-</b>	<b>350.00</b>

**Current Assets****13. Inventories**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Trading Goods	10.02	470.72
<b>Total</b>	<b>10.02</b>	<b>470.72</b>

**Current Assets****14. Trade Receivables**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured- Considered good</b>		
Outstanding for period exceeding six months	749.25	749.33
Other Receivables	2,456.86	421.61
	<b>3,206.11</b>	<b>1,170.94</b>
<b>Unsecured, considered doubtful</b>		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>3,206.11</b>	<b>1,170.94</b>

**Current Assets**
**15. Cash & Cash Equivalents**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>a. Balances with banks</b>		
- In Current Accounts	86.50	190.88
- In Fixed Deposit Accounts (Margin Money against Bank Guarantee)	629.17	495.16
-Unpaid Dividend Accounts	3.42	3.99
<b>b. Cash on hand</b>	2.77	3.90
<b>Total</b>	<b>721.86</b>	<b>693.92</b>

**Current Assets**
**16. Short-term Loans and Advances  
(Unsecured and Considered Good)**

₹ in Lacs

Short term loans and Advances	As at 31st March, 2016	As at 31st March, 2015
Loan and advances to related parties Unsecured , considered good	3.20	0.72
Loans to Employees (Unsecured , considered good) Prepaid Expenses (unsecured , considered good)	7.29 101.77	4.82 58.19
<b>Balances with Statutory/Government Authorited (Unsecured , considered good)</b>		
CENVAT Credit Receivable	0.08	0.08
Service Tax Credit Receivable	47.30	38.24
Sales Tax Credit Receivable	27.66	26.93
Entry Tax	3.45	4.34
Inter Corporate deposits (unsecured , considered good) - Anil Dye Chem Industries Pvt. Ltd.	550.00	-
	<b>737.55</b>	<b>132.60</b>
<b>Other Loans and Advances (Unsecured , including advance to Suppliers)</b>		
Unsecured , Considered Good	137.74	201.43
Doubtful	-	-
Provision for Doubtful Advances	-	-
	<b>137.74</b>	<b>201.43</b>
<b>Total</b>	<b>878.48</b>	<b>334.48</b>

**Current Assets**
**17. Other Current Assets**

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest accrued on Inter Corporate Deposits	0.05	0.05
Interest accrued on FDR	5.19	5.45
Investment in Silver Coins	0.61	0.61
Others	1.28	48.73
<b>Total</b>	<b>7.13</b>	<b>54.84</b>

(Consolidated)

## 18. Other Income

₹ in Lacs

Particulars	2015-16	2014-15
Interest Income	72.81	132.93
Interest on I.T. Refund	2.28	8.85
Interest on Sales Tax Refund	-	3.93
Dividend Income	98.14	0.97
Profit on Sale of Mutual Fund	30.02	-
Profit on Sale of Fixed Assets	15.30	4.27
Profit on sale of Trade Investment	-	45.53
Cancellation of order	150.00	215.00
Bad Debts Recovered	1.50	-
Commission Income	91.00	-
Foreign Exchange Difference	0.52	(21.55)
Excess Provision for Earlier Year	1.15	0.45
Duty Drawback	0.00	17.84
Misc. Income	17.19	13.63
Misc./Dr./Cr. Balance Written Back	188.19	62.42
Rate difference	-	74.70
Kasar/Discount	-	0.26
Customduty refund	-	157.05
Rent income	-	3.03
Profit on Sale of Subsidiary	49.13	-
<b>Total</b>	<b>717.23</b>	<b>719.32</b>

## 19. Change in Inventories of Finished Goods

₹ in Lacs

Particulars	2015-16	2014-15
Inventories (at close)		
Finished goods / Stock in trade	10.02	331.23
Inventories( at commencement)		
Finished goods / Stock in trade	71.42	231.24
<b>Total</b>	<b>61.40</b>	<b>(99.99)</b>

## 20. Employee Benefits Expense

₹ in Lacs

Particulars	2015-16	2014-15
(a) Salaries and incentives	201.81	418.89
(b) Remuneration to Directors	75.17	71.62
(c) Contributions to		
(i) Provident and other fund (ii) Superannuation scheme	11.82	20.75
(d) Gratuity fund contributions	3.98	12.54
(e) Staff welfare expenses	29.35	39.99
(f) Leave aslary expense	-	6.19
<b>Total</b>	<b>322.13</b>	<b>569.98</b>

## 21. Finance Costs

₹ in Lacs

Particulars	2015-16	2014-15
Interest Expense	107.84	172.78
Bank Charges	20.39	51.01
Other Borrowing Costs	77.82	83.72
<b>Total</b>	<b>206.05</b>	<b>307.51</b>

(Consolidated)

**22. Other Expenses**

₹ in Lacs

Particulars	2015-16	2014-15
Rent and License Fees	213.24	156.36
Land Lease Rent for Guest House	6.85	6.38
Rates and Taxes	3.15	3.86
Insurance	17.49	24.64
Employer/Employee Insurance	112.75	89.14
Electricity	73.18	80.77
Stationery and Printing	5.80	10.27
Postage and Telephone	16.06	13.21
Repairs and Maintenance & Renovation to Bldg	210.79	149.58
Auditors Remuneration	1.14	1.82
Fees and Legal Expenses	38.15	49.38
Vehicle Expenses	16.87	16.45
Conveyance	2.06	13.50
Advertisement & Publicity Expenses	10.23	13.97
Travelling Expenses	134.18	162.64
Guest House Expenses	13.35	15.31
Miscellaneous Expenses	65.18	179.76
Director fees & travelling	1.24	0.99
Sales Promotion	91.75	93.46
Security Expenses	46.41	40.18
Royalty	318.62	254.33
Packing Materials	26.39	70.25
Donation	14.79	10.20
Bad Debts Written Off	65.98	73.81
Computer Repairing Expenses & Hardware Expenses	4.13	5.33
Commission and Agency Commssion	15.00	16.52
Deputation Charges to Custom Department	21.59	39.15
Cargo Handling Expenses	0.10	1.68
Discount/Rate Difference Expenses	2.00	5.45
Prior Period Expenses	0.56	0.22
Loss on Insurance Claim	-	1.08
Foreign Exchange Fluctuation	-	0.21
Loss on Redemption of M.F.	102.97	-
<b>Total</b>	<b>1,652.00</b>	<b>1,599.90</b>

(Consolidated)

**NOTE: 23 NOTES FORMING PART OF ACCOUNT****SIGNIFICANT ACCOUNTING POLICIES:****A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

**B. PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements relate to GSEC Limited ('the Company') and its subsidiary Companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- Gains /Losses arising on the direct sale by the company of its investments in subsidiaries or associated companies to third parties are transferred to consolidated statements of profit and loss. Such gains or losses are the difference between the sale proceeds and net carrying value of investments.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Surplus or deficits arising on sale of company's own shares held by its subsidiaries along with the tax thereon is taken to capital reserve.

**C. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".****D. Other significant accounting policies these are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.****24. OTHER NOTES FORMING PART OF ACCOUNTS:****(i) Details of Payments to Auditor**

₹ in Lacs

Particulars	2014-16	2014-15
a. To Auditors	1.14	1.82
b. For Taxation Matters	-	-
c. Certification (Included in Fees and Legal Expenses)	-	-
<b>Total</b>	<b>1.14</b>	<b>1.82</b>

(ii) Salaries and wages of ₹ 75.17 Lacs (Previous Year ₹ 86.02 Lacs) being the remuneration to Executive Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 197 read with Schedule V of the Companies Act, 2013.

(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:**

- Claims against the company not acknowledged as debt of ₹ 22.86 Lacs (Previous Year ₹ 22.86 Lacs)
- Bank Guarantee issued to Customs Department – Ahmedabad of ₹ 2974 Lacs (Previous Year ₹ 2135 Lacs)
- 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 in 2013-14 under protest.

(Consolidated)

- d. Demand raised in 2012-13 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.
- e. Demand raised in 2012-13 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, the Company has deposited ₹ 25 Lacs under protest.
- f. The Additional Commissioner Service Tax, Ahmedabad has raised the demand of ₹ 39.02 Lacs for the year 2009-10 to 2012-13 on 16.09.2014 for non-payment of Service Tax on rendering services on Cold Storage activities which is partly exempt/chargeable at lower rate. As the Company has not accepted the above demand fully and hence no provision in the books of Accounts has been made. However Company has deposited ₹ 14.07 Lacs under protest.

(v) Previous Year Exceptional items of ₹ 180 Lacs represent the loss of Joint Venture business of Decoration and Event Management by developing a Party plot called as Ozone-9 owned by Gandhi Corporation.

(vi) Disclosures pursuant to Accounting Standard (AS) 15 (Revised)

**Employees Benefits: Defined Benefits Plans as per Actuarial Valuation on March 31, 2016.**

₹ in Lacs

Sr.No.	Particulars	Gratuity		Leave Encashment	
		31-03-2016	31-03-2015	31-03-2016	31-03-2015
<b>1.</b>	<b>The Changes in Obligations during the year</b>				
	• Present value of Defined benefit Obligation at the beginning of the year	41.70	54.49	NIL	13.26
	• Current Service Cost	4.38	5.31	NIL	1.85
	• Interest Cost	3.33	4.96	NIL	1.21
	• Actuarial (Gains)/Losses	(0.60)	0.99	NIL	5.98
	• Benefit Payments	(4.99)	(6.15)	NIL	(2.09)
	• Present value of Defined Benefit Obligation at the end of the year	43.82	64.40	NIL	20.20
<b>2.</b>	<b>The changes in Plan Assets during the year</b>				
	• Plan Assets at the beginning of the year	41.65	40.72	NIL	NIL
	• Actuarial gains and (losses)	(0.21)	(0.03)	NIL	NIL
	• Contribution by Employer	0.54	NIL	NIL	NIL
	• Actual Benefit Paid	(4.99)	(2.58)	NIL	NIL
	• Plan assets at the end of the year	40.31	41.65	NIL	NIL
	• Actual return on Plan Assets	3.33	3.54	NIL	NIL

Sr. No.	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>3.</b>	Actuarial Assumption :		
	Discount Rate	7.96%	7.80% to 7.99%
	Turnover Rate		
	Mortality		
	Salary Escalation Rate	7%	6% to 7%
	Retirement age	58 Years	58 Years

(Consolidated)

**(vi) Related Party Disclosure:**

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**

Nature of Relationship	Name of Related Party
Holding Company	Komal Infotech Private Limited
Subsidiary Company	GSEC Logistics Limited
	GSEC Green Energy Private Limited
Fellow Subsidiary Company	GSEC Aviation Limited
	Komal Infraventures Private Limited
Key Management Personnel	Rakesh Ramanlal Shah
	Samir Hanskumar Mankad
	Shaishav Rakeshkumar Shah
Relative of Key Management Personnel	Priti Rakesh Shah
Other Related parties (Enterprise owned or significantly influenced by Key Management personnel)	GSEC Infrastructure Private Limited
	Kalpavruksha Estate And Finance Private Limited
	Keshav Land Developers Private Limited
	Prerak Capital Services Private Limited
	Vishwa Imports LLP

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

₹ in Lacs

Nature of Transaction	Holding Company	Fellow Subsidiary Company	Relative of Director	Key Management Personnel		
				Rakesh R. Shah	Shaishav R. Shah	Samir H. Mankad
	Komal Infotech Pvt. Ltd.	GSEC Aviation Limited	Priti R. Shah			
Rent Paid	-	-	6.56	-	2.73	-
Interest Paid	15.88	16.07	-	10.89	9.96	-
Remuneration	-	-	-	36.00	16.85	22.32
Outstanding as on 31.03.2016	(41.59)	(208.18)	-	(9.98)	(22.59)	-
Loan Taken	2225.50	839.00	-	370.00	235.00	-
Loan Repaid	2209.69	1480.29	-	575.11	507.12	-

**(viii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2016 at as follows**

₹ in Lacs

Deferred Tax Assets arising from:	2015-16	2014-15
Net deferred Tax Assets/(Liability)	82.16	50.41

The tax impact for the above purpose has been arrived by applying a tax Rate of 33.06% 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.

**(ix) Earning Per Share (E.P.S.)**

₹ in Lacs

Particulars	2015-16	2014-15
Net Profit (Loss) after Tax	218.75	138.19
Number of Equity Shares	75,50,000	75,50,000
Nominal Value of Equity Share (₹)	10.00	10.00
Basic & Diluted Earning Per Share (₹)	2.90	1.83

**(x) Other information required in terms of Clause 5 (viii) of Part-II of Schedule III to the Companies Act, 2013.**

₹ in Lacs

Particulars	2015-16	2014-15
a. C.I.F. value of imports of:		
Raw Materials	-	53.18
Spare parts		
Capital Goods	42.98	-
b. Expenditure in Foreign Currency:	67.06	75.19
on Foreign Travel		
c. Expenditure in Foreign Currency:	-	-
on purchase of capital items		
d. Consumption of:		
i. Raw Materials	-	-
ii. Store and Spares Parts	-	-
e. Remittance in Foreign Currency		
On accounts of Agency Commission	-	-
f. Earning in Foreign Exchange	-	-
Value of Goods Exported)		

(xi) As per the requirement of Schedule III of the Companies Act, 2013, 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.



## 25. 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, 2016

₹ in Lacs

	Air Cargo		Trading Activities		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>A. Revenue</b>								
Services/Sales Revenue	2373.21	2071.17	28899.32	23381.66	0.00	703.49	31272.53	26156.32
Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Revenue</b>	<b>2373.21</b>	<b>2071.17</b>	<b>28899.32</b>	<b>23381.66</b>	<b>0.00</b>	<b>703.49</b>	<b>31272.53</b>	<b>26156.32</b>
<b>B. Result</b>								
<b>Segment Result Profit/Loss</b>	<b>2373.21</b>	<b>1624.58</b>	<b>(314.64)</b>	<b>(19.73)</b>	<b>0.00</b>	<b>462.94</b>	<b>2058.57</b>	<b>2067.79</b>
Other Income excluding Interest Income							642.14	580.70
Other Unallocable Expenses							2276.60	2444.91
Operating Profit							424.11	203.58
Interest Income							75.09	138.62
Interest Expenses							206.06	172.79
Profit Before Tax							293.14	169.41
Provision For Income Tax (including Deferred Tax)							74.39	22.99
<b>Net Profit After Tax</b>							<b>218.75</b>	<b>146.42</b>
Less: Profit/(Loss) transferred to minority interest								8.23
<b>Profit After Tax after adjustment of Minority Interest</b>							<b>218.75</b>	<b>138.19</b>
<b>C. Other Information</b>								
Capital Employed								
Segment Assets	2129.42	1477.82	4887.61	2437.87	186.28	1811.41	7203.31	5727.10
Segment Liabilities	312.84	146.51	2901.73	564.71		1574.44	3214.57	2285.66
Other Unallocable Corporate Assets and Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	(1605.20)	(915.62)
<b>Total Capital Employed</b>							<b>2383.54</b>	<b>2525.82</b>
Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	272.34	149.32	288.18	64.45	0.00	0.00	0.00	0.00
Other Unallocable Capital Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>272.34</b>	<b>149.32</b>	<b>288.18</b>	<b>64.45</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>D. Segment Depreciation</b>	<b>184.39</b>	<b>238.99</b>	<b>85.02</b>	<b>106.20</b>	<b>33.06</b>	<b>64.31</b>	<b>302.47</b>	<b>409.50</b>
<b>E. Non Cash Expenses other than Depreciation</b>	<b>0.00</b>	<b>0.00</b>	<b>39.81</b>	<b>73.74</b>	<b>0.00</b>	<b>0.00</b>	<b>39.81</b>	<b>73.74</b>

As per our attached report of even date

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

**Bipin Shah**  
Partner  
Membership No. 10712

**Date** : 26th August, 2016  
**Place** : Ahmedabad

For and on behalf of Board of Directors of  
GSEC Limited

**Rakesh Shah**  
Chairman & Managing Director  
(DIN: 00421920)

**Date** : 26th August, 2016  
**Place** : Ahmedabad

**Samir Mankad**  
Whole-time Director  
(DIN: 00421878)

**Chintan Patel**  
Company Secretary  
(M. No.: A29326)

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **50th ANNUAL GENERAL MEETING** of the Members of **GSEC LIMITED** will be held on **Thursday, the 29th day of September, 2016** at **11:30 a.m.** 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 standalone & Consolidated Financial Statements of the Company including audited Balance Sheet, as at 31st March, 2016, Statement of Profit and Loss and Cash Flow Statement for the year ended on 31st March, 2016 together with the Directors' Report and the Auditors' Report thereon.
- 2 To declare dividend on Equity Share Capital of the Company.
- 3 To appoint a Director in place of Mr. Samir Mankad (DIN: 00421878), who retires by rotation and being eligible seeks re-appointment.
- 4 To ratify the appointment of the Statutory Auditors of the Company made at the 48th Annual General Meeting and to fix their remuneration. In this connection, 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 Section 139 of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modifications or amendments or re-enactments made thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, the appointment of M/s. BJS & Associates, Chartered Accountants, Ahmedabad (Registration No. 113268W) made up to conclusion of the Annual General Meeting to be held in the year 2019 (subject to ratification of the appointment by the members at every Annual General Meeting) be and is hereby ratified until the conclusion of the next Annual General Meeting of the company and that the Auditors be paid such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### SPECIAL BUSINESS:

- 5 Appointment of Mr. Sandip Parikh (DIN: 00030990) as an Independent Director of the company.  
To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**  
**"RESOLVED THAT** pursuant to provision of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sandip Parikh (DIN: 00030990), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 17, 2016 and who holds office till the conclusion of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years."
- 6 Appointment of Ms. Raji Shaishav Shah (DIN: 06893581) as a Director of the Company.  
To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**  
**"RESOLVED THAT** in accordance with the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Raji Shah (DIN: 06893581) who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 1, 2016 and holds office until the conclusion of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying the intention to propose appointment of Ms. Raji Shah as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
- 7 Appointment of Ms. Raji Shaishav Shah (DIN: 06893581) as a Whole-time Director of the Company.  
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 Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for appointment of Ms. Raji Shah (DIN: 06893581) as Whole-time Director of the Company with effect from April 1, 2016 for a period of three years, as well as for the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors and/or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT** the said Director shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, she shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

- 8 Re-appointment of Mr. Rakesh Shah (DIN: 00421920), as Chairman and Managing Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Rakesh Shah (DIN: 00421920), as Chairman and Managing Director of the Company with effect from April 1, 2016 for a period of three years , as well as for the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors and /or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be decided by the Board of Director.

**RESOLVED FURTHER THAT** the said Director shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

- 9 Re-Appointment of Mr. Shaishav Shah (DIN: 00019293) as a Whole-time Director of the Company.

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 Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Shaishav Shah (DIN:00019293) as Whole-time Director of the Company with effect from April 1, 2016 for a period of three years, as well as for the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors and /or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT** the said Director shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of salary and perquisites as specified above, however in any case, the total remuneration shall not exceed the limit as specified in Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**NOTES:**

- 1 A member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member.
- 2 Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.

- 3 A proxy, in order to be effective, must be received at the registered office of the company not less than 48 hours before the commencement of the meeting.
- 4 Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 5 Only bonafide members of the company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- 6 Members are requested to bring their copies of Annual Report to the Meeting.
- 7 In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
- 8 Company has fixed 29th September, 2016 as record date for the purpose of determining the entitlement of dividend.
- 9 Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the unclaimed/unpaid dividend till the financial year ended March 31, 2008 has been transferred to the Investor Education and Protection Fund of the Central Government ("the Fund"). Shareholders are requested to note that once unpaid/unclaimed amounts are transferred to the Fund, no claim shall lie against the Fund or the Company. Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place.
- 10 The Company has appointed M/s. Big Share Services Private Limited in place of M/s. Sharepro Services (India) Private Limited as Registrar and transfer agent for physical and dematerialised shares. The Members are requested to take note and deal with the aforesaid agency when necessary. Members are further requested to intimate any change of name address etc. to RTA i.e. M/s. Big Share Services Private Limited at A/802 Samudra Complex, Near Klassic Gold Hotel, Off C G Road, Ahmedabad-380009, Gujarat, INDIA or the Secretarial Department of the Company at registered office immediately.
- 11 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.
- 12 Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new share transfer form SH 4 for the same.
- 13 Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
- 14 Members may also note that the Notice of the 50th Annual General Meeting and the Annual Report for the financial period ended on 31.03.2016 will also be available on the Company's website [www.gsecl.co.in](http://www.gsecl.co.in) for their download.
- 15 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: [cs@gsecl.co.in](mailto:cs@gsecl.co.in).
- 16 A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 17 A Route Map showing the Directions to reach the venue of the 50th Annual General Meeting is attached herewith as per the requirement of Secretarial Standards - 2 on General Meeting.

## 18 Details of Directors seeking appointment/re-appointment at the 50th Annual General Meeting of the Company:

Name of Director	<b>Mr. Samir Hanskumar Mankad</b>	<b>Mr. Sandip Ashwinbhai Parikh</b>
Date of Birth	July 13, 1960	August 08, 1963
Date of Appointment	March 08, 2004	February 17, 2016
Relationship with Directors	None	None
Qualifications	B.E. (Mechanical), M.B.A.	Chartered Accountant (FCA), LLB, B Com.
Expertise in functional area	Air Cargo operations, Logistics and allied services	Corporate Finance and Taxation matters, Cross border tax matters, Transactions Advisory
Board Membership in other Companies as on March 31, 2016	1. GSEC LOGISTICS LIMITED 2. GSEC AVIATION LIMITED	1. DYNAMIC TAX SERVICES PRIVATE LIMITED 2. GKC ADVISORY SERVICES PRIVATE LIMITED 3. KAUSHIKI ARTS PRIVATE LIMITED
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2016	Nil	Nil
Number of Shares held in the Company as on March 31, 2016	Nil	Nil
Name of Director	<b>Ms. Raji Shaishav Shah</b>	<b>Mr. Rakesh Ramanlal Shah</b>
Date of Birth	February 02, 1982	March 04, 1953
Date of Appointment	March 01, 2016	March 08, 2004
Relationship with Directors	Spouse of Mr. Shaishav Shah Wholetime Director of the company and Daughter in-Law of Mr. Rakesh Shah Managing Director of the company	Father of Mr. Shaishav Shah Wholetime Director of the company and father in-law of Ms. Raji Shah Wholetime Director of the company.
Qualifications	B Com	B Com
Expertise in functional area	Administrative and Finance	Management and Administration
Board Membership in other Companies as on March 31, 2016	1. GSEC INFRASTRUCTURE PVT. LTD. 2. GSEC GREEN ENERGY PVT. LTD. 3. KOMAL INFRAVENTURES PVT LTD. 4. KOMAL INFOTECH PVT LTD.	1. MIRAJ IMPEX PRIVATE LIMITED 2. NISHU EXIM PRIVATE LIMITED 3. KALPAVRUKSHA ESTATE AND FINANCE PVT. LTD. 4. GSEC LOGISTICS LIMITED 5. GSEC AVIATION LIMITED 6. GULMOHAR GREENS GOLF AND COUNTRY CLUB LTD
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2016	Nil	Nil
Number of Shares held in the Company as on March 31, 2016	Nil	636090 (8.43%)

Name of Director	<b>Mr. Shaishav Rakeshkumar Shah</b>
Date of Birth	May 05, 1984
Date of Appointment	June 12, 2010
Relationship with Directors	Spouse of Ms. Raji Shah Wholetime Director of the company and Son of Mr. Rakesh Shah Managing Director of the company
Qualifications	B Com and Post Graduate Diploma in Management
Expertise in functional area	Business development, Administrative and Finance
Board Membership in other Companies as on March 31, 2016	1. GSEC AVIATION LIMITED 2. GSEC LOGISTICS LIMITED 3. KALPAVRUKSHA ESTATE AND FINANCE PRIVATE LIMITED 4. MIRAJ IMPEX PRIVATE LIMITED 5. GSEC GREEN ENERGY PRIVATE LIMITED
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2016	Nil
Number of Shares held in the Company as on March 31, 2016	487270 (6.45%)

**Date: August 26, 2016**  
**Place: Ahmedabad**

**By Order of the Board of Directors,  
For GSEC Limited,**

**CHINTAN PATEL**  
**Company Secretary**

**EXPLANATORY STATEMENT AS REQUIRED UNDER Section 102(1) OF THE COMPANIES ACT, 2013**

The following statement sets out all material facts relating Special Businesses mentioned in the accompanying Notice

**Item No. 5**

Mr. Sandip Ashwinbhai Parikh was appointed by the Board of Directors of the Company as an Additional Director (Independent Director) with effect from February 17, 2016. He holds office until the ensuing Annual General Meeting under Section 161(1) of the Companies Act, 2013.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Sandip Parikh for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Mr. Parikh is Chartered Accountant by profession and fellow member of the Institute of Chartered Accountants of India (FCA). He also holds a Bachelor's degree of commerce and Law. He has spent his entire professional career working in the field of Corporate Finance, Taxation including Cross border taxation and Transactions Advisory matters. He holds a position of Director in Dynamic Tax Services Private Limited, GKC Advisory Services Private Limited and Kaushiki Arts Private Limited.

He does not hold any shares in the Company.

Mr. Parikh has given his consent to act as a Director and he is not disqualified in terms of Section 164 of the Companies Act, 2013 for being appointed as Director.

The Company has received declaration from him that he meets with the criteria of independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Rules made thereunder.

The Board is of the opinion that Mr. Parikh fulfills the conditions specified in the said Act and the Rules made thereunder and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and he is independent of the management. Mr. Parikh is proposed to be appointed as an Independent Director for a term of 5 years up to February 15, 2021.

The Board recommends the Resolution set out under item no. 5 for approval of members.

Except Mr. Parikh, being an Appointee, none of the other Directors of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

The Company is not required to appoint Key Managerial Personnel in the Company.

**Item No. 6 & 7**

Ms. Raji Shaishav Shah was appointed as an Additional Director on the Board of the Company with effect from April 1, 2016 in accordance with the provisions of Section 161 of the Companies Act, 2013. At the same meeting, the Board also appointed Ms. Raji Shah as Whole Time Director for a period of three years from April 1, 2016 on the terms and conditions as set out below as approved by the Board, subject to approval of the members at the ensuing Annual General Meeting (AGM).

As company need such profile who look after companies' day to day affairs including financial activities appointment of Ms. Raji Shah is found most suitable for the said post. She is holding the bachelor degree of commerce and possessing relevant experience in the field of finance and other relevant areas. After considering the same, the Board recommends her appointment as a Whole time Director of the Company in best interests of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Raji Shah will hold office upto the date of ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member proposing the candidature of Ms. Raji Shah for the office of Director.

The proposal for the appointment of Ms. Raji Shah as a Whole-time Director of the Company as per the terms and conditions mentioned below, is therefore placed before the members for approval.

The details of remuneration payable to Ms. Raji Shah and the terms and conditions of the appointment are given below:

**Tenure:** 1st April, 2016 to 31st March, 2019

**Salary:** Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding ₹ 18,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

**Increment:** An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount.

**Perquisites:** In addition to the salary, the said Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified hereinabove.

- (i) Medical Reimbursement: Expenses incurred for self and her family subject to a ceiling of ₹ 24,000/- per year or ₹ 72,000/- over a period of three years.
- (ii) 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.
- (iii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iv) Encashment of leave at the end of the tenure.
- (v) Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.
- (vi) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

The Board recommends the Resolution set out under item no. 6 and 7 for approval of members.

Except Ms. Raji Shah, being an appointee and Mr. Rakesh Shah, Managing Director, Mr. Shaishav Shah Whole Time Director and their relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolutions set out at item no. 6 and 7.

The Company is not required to appoint Key Managerial Personnel in the Company.

#### Item No. 8

The Board of Directors in their meeting held on February 17, 2016, has re-appointed Mr. Rakesh Shah as Chairman and Managing Director of the Company for a period of three years from April 1, 2016 to March 31, 2019, subject to approval of the members at the ensuing Annual General Meeting (AGM).

Mr. Rakesh Shah has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time. Mr. Rakesh Shah guided the Company through decade for diversification and growth of the company. It would be in the interest of the Company to continue the employment of Mr. Rakesh Shah as Chairman and Managing Director of the company.

In compliance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the re-appointment of Mr. Rakesh Shah for the period of three years commencing from April 1, 2016 and payment of remuneration to Mr. Rakesh Shah therefore placed before the members for their approval.

The details of remuneration payable to Mr. Rakesh Shah and the terms and conditions of the appointment are given below:

**Tenure:** 1st April, 2016 to 31st March, 2019

**Salary:** Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding ₹ 40,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

**Increment:** An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount.

**Perquisites:** In addition to the salary, the said Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified hereinabove.

- (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.
- (ii) 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.
- (iii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iv) Encashment of leave at the end of the tenure.
- (v) Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.



- (vi) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

The Board recommends the Resolution set out under item no. 8 for approval of members.

Except Mr. Rakesh Shah, being an appointee, Mr. Shaishav Shah Whole Time Director and Ms. Raji Shah, Whole-time Director and their relatives, none of the other Directors and of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 8.

The Company is not required to appoint Key Managerial Personnel in the Company.

**STATEMENT PURSUANT TO CLAUSE (B) OF SECTION II OF PART-II OF  
SCHEDULE V OF THE COMPANIES ACT, 2013**

**I GENERAL INFORMATION:**

1	Nature of Industry	Air Cargo Services, export and trading activities.		
2	Date or Expected Date of Commencement of Commercial Production	Not applicable as the company has already undertaken commercial activities long back.		
3	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable		
4	Financial performance based on given indicators.	(₹ in Lakh)		
		<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
		Total Income	31816.57	25919.91
		Profit Before Tax and Depreciation (Including exceptional)	548.55	568.89
		Depreciation	269.41	345.19
		Profit Before Tax	279.14	43.70
		Tax	73.16	23.20
		Profit After Tax	205.97	20.50
		Equity Capital (face value ₹ 10)	755.00	755.00
		Earnings per Share (₹)	2.73	0.27
5	Export performance based on given indicators.	(₹ in Lakh)		
		Particulars	2015-16	2014-15
		Foreign Exchange Earning	—	—
		Foreign Exchange Outgo	67.06	70.90
6	Foreign Investments or Collaborations, if any.	The Company did not have any foreign investments or collaborations.		

**II INFORMATION ABOUT THE APPOINTEE:**

**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:**

Details of past remuneration paid to Mr. Rakesh Shah is mentioned herein below:

Period	Remuneration Paid
1st April, 2014 to 31st March, 2017	₹ 3,00,000/- Per Month

**3 Recognition or awards:**

1. Past President of the Gujarat Chamber of Commerce and Industry (GCCCI)
2. President of Jain Cultural Group
3. President of Shri Vasupujya Swami Jain Derasar, Bidaj

**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.

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 Remuneration proposed:**

**Salary:** Salary plus allowances with different breakup be revised and payable monthly/yearly basis within overall limit of yearly package not exceeding ₹ 40,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

**Increment:** An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount.

**Perquisites:** In addition to the salary, the said Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified here in above.

- (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.
- (ii) 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.
- (iii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iv) Encashment of leave at the end of the tenure.
- (v) Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.
- (vi) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

**6 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.**

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.

**7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Mr. Rakesh Shah is having pecuniary relationship with the company to the extent of his shareholding, remuneration and transaction as mentioned in the notes to the financial statement. Further Mr. Shaishav Shah Whole-time Director is son and Ms. Raji Shah Whole-time Director is daughter in law of Mr. Rakesh Shah.

**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 improvising 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.

## IV REASONS AND JUSTIFICATION FOR PAYMENT BEYOND LIMITS SPECIFIED IN SCHEDULE V:

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.

## Item No. 9

The Board of Directors in their meeting held on February 17, 2016, re-appointed Mr. Shaishav Shah as Whole Time Director of the Company for further period of three years from April 1, 2016 to March 31, 2019, subject to approval of the members at the ensuing Annual General Meeting (AGM).

Mr. Shaishav Shah was associated with company since 2010, he played leading role to convert GSEC Limited as a company in to GSEC Group having diversified business activities in Cargo, Aviation, Petro products. Company has achieved new heights and has sailed through many new developments and innovations. Considering the performance of the said Director, the Board recommends his re-appointment in best interests of the company.

In compliance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the re-appointment for the period from April 1, 2016 upto March 31, 2019 and payment of remuneration to Mr. Shaishav Shah are being placed before the members for their approval.

The details of remuneration payable to Mr. Shaishav Shah and the terms and conditions of the appointment are given below:

**Tenure:** 1st April, 2016 to 31st March, 2019

**Salary:** 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 under the Companies Act, 2013 and rules made thereunder, for each year.

**Increment:** An annual increment in the range of 15%-20% depending upon the performance, on the total salary amount based on the existing HR Policy of the Company.

**Perquisites:** In addition to the salary, the said Whole-time Director shall be eligible for the following perquisites, which shall not be included in the computation of ceiling of remuneration specified hereinabove.

- (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.
- (ii) 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.
- (iii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iv) Encashment of leave at the end of the tenure.
- (v) Personal Car for official use and purpose shall be provided by the Company. Expenses for Driver and Fuel Reimbursement shall be made.
- (vi) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

The Board recommends the Resolution set out under item no.9 for approval of members.

Except Mr. Shaishav Shah, being an appointee and Mr. Rakesh Shah Managing Director, Ms. Raji Shah Whole-time Director and their relatives, none of the other Directors of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 9.

The Company is not required to appoint Key Managerial Personnel in the Company.

**Date: August 26, 2016**  
**Place: Ahmedabad**

**By Order of the Board of Directors,  
For GSEC Limited,**

**CHINTAN PATEL**  
**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/We hereby record my/our presence at the 50th Annual General Meeting of the Company being held on Thursday 29th September, 2016 at 11:30 AM at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009.

**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 poll for me/us on my/ our behalf at the 50th Annual General Meeting of the Company to be held on Thursday, the 29th September, 2016 at 11:30 AM at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009 and at any adjournment thereof and respect of such resolution mentioned below:

Resolution No.	Resolution	#Optional	
		For	Against
Ordinary Business			
1	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2	Declaration of Dividend on Equity Shares.		
3	Re-appointment of Mr. Samir Mankad (DIN 00421878), who retires by rotation.		
4	Ratify the appointment of M/s. BJS & Associates, Chartered Accountants as Statutory Auditors and fix their remuneration.		
Special Business			
5	Appointment of Mr. Sandip Parikh (DIN 00030990) as an Independent Director of the company.		
6	Appointment of Ms. Raji Shah (DIN 06893581) as a Director of the Company.		
7	Appointment of Ms. Raji Shah (DIN 06893581) as a Whole-time Director of the Company.		
8	Re-appointment of Mr. Rakesh Shah (DIN 00421920) as Chairman and Managing Director of the Company.		
9	Re-appointment of Mr. Shaishav Shah (DIN 00019293) as a Whole-time Director of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signature of Shareholder: \_\_\_\_\_

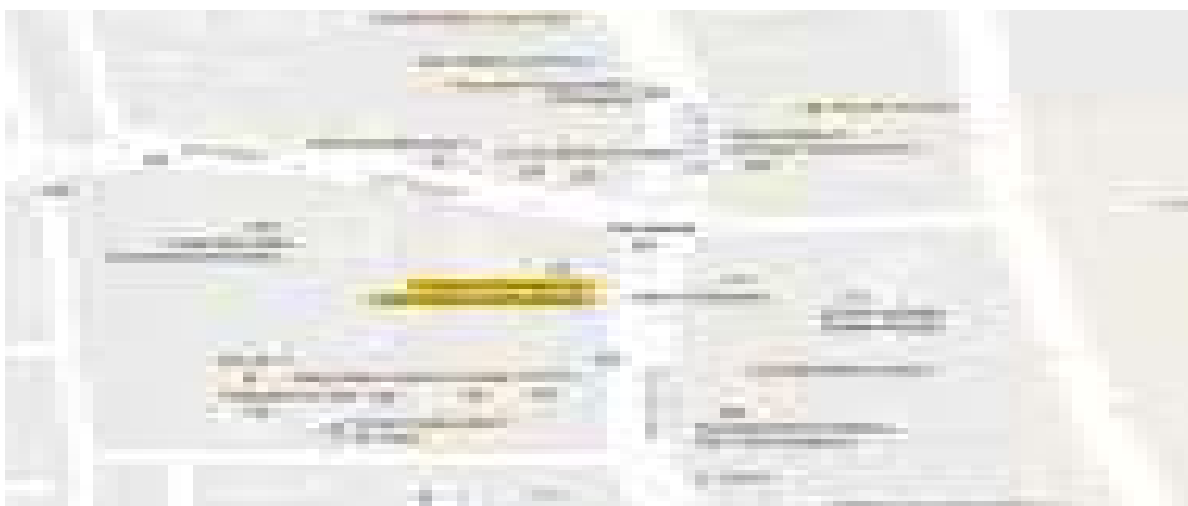
Signature of Proxy holder(s): \_\_\_\_\_

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 50th Annual General Meeting.
- #3 It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4 Please complete all details including details of member(s) in above box before submission

**ROUTE MAP FOR AGM HALL - SHETH SRI KASTURBHAI LALBHAI HALL**







**Regd. Office :**

2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad - 380 009, Gujarat, INDIA.  
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