

We Promise We Care



If not delivered please return to:
GSEC Limited
Formerly Gujarat State Export Corporation Ltd.

Regd. Office :
2nd Floor, Gujarat Chamber's Building,
Ashram Road, Ahmedabad - 380 009. Gujarat. INDIA.
Ph.: +91-79-2655 4100, 2657 5757, 2658 5757
Fax: +91-79-2658 4040
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Operations:
Ahmedabad:
Air Cargo Complex, Old Airport, Ahmedabad- 380 012.
Ph. : +91-79-2286 4747 / 5656
Fax : +91-79-2286 4646

Indore :
DABH Airport, Indore.
Ph. : +91-731-265754

Visakhapatnam:
Air Cargo Complex, D.No. 58-14-57 / 1,
D.C.C.B. Building, NH-5 Road,
NAD Post, VUDA Layout, Marripalem,
Visakhapatnam - 530 009 (A.P.)
Ph. : +91-891-2794199





Air Cargo Custodian at



Sardar Vallabhbhai Patel International Airport
Ahmedabad, Gujarat



Devi Ahilyabai Holkar Airport
Indore, Madhya Pradesh



Visakhapatnam Airport
Vizag, Andhra Pradesh

Trading Business of



Bitumen



Petro Products



Dyes and Chemicals

GSEC Logistics Limited



Developing Inland Container Depot
at Ratlam, Madhya Pradesh

GSEC Green Energy Pvt. Ltd.



Tyre Pyrolysis Plant
Ratlam, Madhya Pradesh

Komoline Aerospace Limited



Electronics Manufacturing Services
Ahmedabad, Gujarat

GSEC Aviation Limited



Aviation Services Provider
Ahmedabad, Gujarat



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COMPANY PROFILE

GSEC Limited, which was formerly known as Gujarat State Export Corporation Limited, a Public Limited company, primarily engaged in the activities of Export and Import facilities and trading business, is a merchant exporter and custodian of Air Cargo Complexes at Ahmedabad, Indore and Visakhapatnam. At Visakhapatnam, it operates the Air Cargo complex under an Operations and Maintenance Arrangement with Andhra Pradesh Trade Promotion Corporation Limited (APTTC).



Since the time of acquisition of the company under the disinvestment proposal from the Government of Gujarat in 2004, lot has gone into redefining its operation. GSEC Limited was the first private company to take over the Air Cargo Complex as a custodian. The infrastructure, speed of processing, delivery, security, computerized systems, state of the art facilities, service orientation and value addition to the clients' businesses today has made it an impeccable choice of many Corporate and Custom House Agents to patronize our services.

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

GSEC Limited has become a well diversified Company and is exploring many different projects and businesses through its subsidiaries.

The Company has three subsidiaries:

- GSEC Logistics Limited** – the Company incorporated in 2010 is developing an Inland Container Depot at Ratlam in the State of Madhya Pradesh, after being awarded the prestigious License by the Government of India for establishing an ICD. The Company is expected to start the project in near future as some necessary approvals from some Departmental Authorities of the Government are pending. This project will be of a great help for the growth of the local and national businesses and will also provide the competitive advantage to the Company.
- GSEC Green Energy Private Limited** – operates the Tyre-pyrosolysis Plant at Ratlam, Madhya Pradesh. It is based on the scientific and the environmental protection mechanism by using waste tyres as a raw material and producing fuel, carbon black, steel and gas, as byproduct. The products are a cheaper alternative to other fuels like furnace oil. This way, over and above generating revenue and income, it also helps saving environment to a great extent. The plant is currently running at full capacity.
- Komoline Aerospace Limited** – Komoline Aerospace Limited is a technology-intensive company established in 1990. Its business range mainly comprises Aerospace, Satellite-enabled instrumentation and Hydro-Meteorology. The ISO 9001:2008 certified Company is committed to its business through state-of-the-art microelectronics technology and a very wide range of projects. Komoline is a growing entity and has an esteemed clientele that includes the likes of Indian Space Research Organization, Nuclear Power Corporation, Naval Science and Technology Laboratory (DRDO), Centre for Advanced Computing, Physical Research Laboratory, Tata Institute of Fundamental Research, Gujarat Water Resources Institute, Agriculture Insurance Company of India Ltd, Wipro Energy Ltd, Larsen and Tubro Ltd, 3M India, Lanco Solar Power Ltd, Adani Ports and SEZ Ltd and many Universities in India.

Along with the subsidiaries, GSEC Limited is heading towards becoming the leading logistics services provider and a successful well diversified Company in the coming years.

CORPORATE INFORMATION

Board of Directors

Rakesh R. Shah
Chairman & Managing Director

Chinubhai R. Shah
Independent Director

Shyamal S. Joshi
Independent Director

Natwarlal M. Patel
Independent Director

Bhalabhai C. Patel
Independent Director

Samir H. Mankad
Whole-time Director

Shaishav R. Shah
Whole-time Director

Company Secretary

Viral B. Mehta
ACS, LL.B.

UCO Bank
Development Credit Bank Ltd

Bankers

Internal Auditors

Pujara Associates
Chartered Accountants
Ahmedabad

Investors' Contact

B J S & Associates
Chartered Accountants
Ahmedabad

Statutory Auditors

Corporate Law Advisor

Umesh Parikh & Associates
Company Secretaries
Ahmedabad

Registered Office:
2nd Floor, Gujarat Chamber's Building,
Ashram Road,
Ahmedabad - 380009.

viral.mehta@gsecl.co.in
079-26575757,
26585757, 26554100

NOTICE

NOTICE is hereby given that the **47th Annual General Meeting** of the Members of **GSEC Limited** will be held on Wednesday, the 18th day of September, 2013 at 11.00 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industry's Building, Ashram Road, Ahmedabad - 380 009, to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the audited Balance Sheet as of 31st March, 2013 and Statement of Profit and Loss for the year ended on that day together with the Directors' Report and the Auditors' Report thereon.
- (2) To declare dividend on equity shares.
- (3) To appoint a Director in place of Shri Shaishav R. Shah, who retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (4) To appoint a Director in place of Shri Shyamal S. Joshi, who retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (5) To appoint M/s. BJS & Associates, Chartered Accountants, Ahmedabad, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the company at such remuneration and reimbursement of out of pocket expenses for the purpose of audit as may be approved by the Board of Directors of the company.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 as amended from time to time, consent of the Company, be and is hereby accorded for the re-appointment of Shri Shaishav R. Shah as the Whole-time Director designated as an Executive Director of the Company for a period of three years with effect from June 12, 2013 on the terms and conditions, including remuneration as contained in the Explanatory Statement.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any financial year, he shall be paid the above remuneration and benefits as the minimum remuneration.

RESOLVED FURTHER THAT aforesaid Director will be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to enhance, enlarge, alter, or vary the scope and quantum of remuneration and perquisites of Shri Shaishav R. Shah which revision should be in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and/or the Rules and Regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time."

NOTES:

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.**
- (2) The instrument appointing proxies should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (3) Company has fixed 18th September, 2013 as record date for the purpose of determining the entitlement of dividend.
- (4) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed herewith.
- (5) The members who have not encashed the Dividend warrants so far are requested to claim the amount during working hours from the Registered Office of the Company.



- (6) The members / proxies should bring the attendance slip sent herewith for attending the meeting.

- (7) Details of appointees:

	I	II
Name	Shri Shaishav R. Shah	Shri Shyamal S. Joshi
Date of Birth	22/05/1984	12/08/1949
Qualification	B.Com., PGDM(IB)	B. com., C.A.
Expertise	Business Analytics, International Market, Import-Export	Well known Corporate Financial Advisor and Professional
Directorship(s) in other Companies *	1. GSEC Aviation Limited 2. GSEC Logistics Limited 3. GSEC Infrastructure Private Limited 4. GSEC Green Energy Private Limited 5. Kalpavruksha Estate and Finance Private Limited 6. Komoline Aerospace Limited 7. Komal Infraventures Private Limited 8. Miraj Impex Private Limited	1. Shalby Limited 2. Nila Infrastructures Limited 3. Sabarmati Papers Private Limited 4. A&M Resources Private Limited 5. Vrundavan Shalby Hospitals Limited 6. Kusha Healthcare Limited 7. Yogeshwar Healthcare Limited 8. CPGCL AEL Parsa Collieries Limited
Shareholding in the Company	Shri Shaishav Shah holds 3,87,270 shares in the Company	Shri Shyamal Joshi holds NIL shares in the Company.

* As per the Latest Notices of Disclosures received from the concerned Directors.

REQUEST TO THE MEMBERS:

1. Members intending to have any information to be explained in the meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
2. Members are requested to bring their copies of Annual Report in the meeting.
3. Members are requested to notify the changes, if any, in their Registered Address.
4. Members are requested to support "Green Initiative" undertaken by the Ministry of Corporate Affairs, by registering their E-mail Addresses with the Company to enable paperless communication.

Date: 20th July, 2013
Place: Ahmedabad

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

**Viral B. Mehta
Company Secretary**

EXPLANATORY STATEMENT
Pursuant to Section 173(2) of the Companies Act, 1956

For Item No. 6

This item relates to the re-appointment of Shri Shaishav R. Shah as a Whole-time Director of the company.

In view of expiry of office of Shri Shaishav R. Shah as Whole-time Director of the company, the Board of Directors vide its resolution dated 11.05.2013 has re-appointed him as Whole-time Director designated as Executive Director on revised terms and conditions for a further period of three years with effect from 12th June, 2013 as per the recommendation made by Remuneration Committee.

Under the guidance of Shri Shaishav Shah, the 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.

Revised remuneration payable to him has been recommended and approved by the Remuneration Committee constituted by the Board.

Pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 and in accordance with Notification dated 16th January, 2002 published in the Official Gazette by the Ministry of Company Affairs, Companies are permitted to pay higher remuneration, provided it is approved by the Members by a Special Resolution. Statement as required under the said notification is given below. Your Directors hereby declare that the company has not made any default in repayment of any of its debts and the company has not accepted any public deposits.

Your Directors recommend passing of the said resolution with or without modifications as Special Resolution

Shri Shaishav R. Shah; himself and Shri Rakesh R. Shah; being relative, are deemed to be concerned or interested in the proposed resolution.

Statement as required under the notification GSR36(E), dated 16th January, 2002

I. General Information :

- (1) Nature of Industry: Air Cargo Handling Services, Export and Trading activities.
- (2) Date or expected date of commencement of commercial activities: Not applicable as the company has already undertaken commercial activities long back.
- (3) The Company is not a new Company.
- (4) Financial performance :

PARTICULARS	Year ended (Audited) 31-03-2013	Year ended (Audited) 31-03-2012	Year ended (Audited) 31-03-2011
1. Net Income	24275.12	20805.49	24627.71
2. Profit/(Loss) Before Tax	294.61	306.39	280.99
3. Net Profit/(Loss) After Tax	206.15	225.30	189.92

- (5) Export earnings were NIL during the financial year 2012-2013.
- (6) There is no foreign investment in the Company and the Company has not entered into any foreign collaboration.

II. Information about the appointee :

- (1) Background details: Shri Shaishav R. Shah is a Commerce Graduate and holds Post Graduate Diploma in Management with specialization in International Business. Currently, he holds the position of Whole-time Director of the Company.

- (2) Past Remuneration: ₹ 1,50,000/- per month.
- (3) Recognition and awards: NIL
- (4) Job profile and his suitability: The Whole-time Director devotes his full time to the company. He ensures the execution of the decisions taken by the Board. He overlooks the business and conduct of the company. He acts as an executive director and considered as an employee of the company. He also performs supervisory role under control and guidance of the Board of Directors of the Company.

Shri Shaishav Shah is associated with the Company since many years in different capacities and devotes his whole time in advancement of the Company. He is having expertise in taking up the new business opportunities for the company and also has adequate knowledge about cargo services and import /export / trading activities.
- (5) Remuneration proposed: As per details given below.
- (6) There are no companies of the same size in the industry; as such there is no statistics available for comparative remuneration profile.
- (7) Shri Shaishav R. Shah along with his relatives and associates holds more than majority of Equity Shares of the company.

III. Other information:

The company is basically operating in service industry and trading business. The company is well diversified and has initiated many different projects through its subsidiaries. Shri Shaishav R. Shah has been the key player in taking these new initiatives and currently he engages himself in developing new strategies and new projects for the benefit of the company.

IV. Disclosures:

Remuneration package:

The term of the office is for a period of three years with effect from 12th June, 2013. He is entitled to following remuneration, benefits / perquisites.

(A) Salary :

₹ 1,75,000 (Rupees One Lac Seventy Five Thousand Only) per month. He shall be entitled for annual increment in the range of ₹ 25,000 – ₹ 50,000 per month depending upon work performance, working of the Company etc. as may be decided by the Board from time to time. The first increment shall fall due on 01-04-2014.

Perquisites:

- (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) The Company shall provide telephone at the residence of the Director for official purpose. Personal calls shall be billed by the company.
- (III) The appointee shall be entitled to fully paid leave as per the company's rules. Encashment of leave at the end of the tenure is permitted.
- (IV) Provident Fund: The company shall pay an amount as per the company's rules as applicable.
- (V) Gratuity: The company shall pay the Gratuity as per the company's rules.

Date: 20th July, 2013
Place: Ahmedabad

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

**Viral B. Mehta
Company Secretary**

FROM THE DESK OF THE CHAIRMAN



Dear Members,

I am pleased to present our Financial Report for fiscal year 2012-2013. As you thoroughly review our annual performance, I would like to begin by extending my sincere appreciation for the trust that you have reposed in GSEC Limited.

We need to review our operations for this year in a rather grim performance of the Indian Economy, largely as a consequence of the adverse global factors. As you are aware, our operations being closely aligned with the International Trade, the impact would have been inevitable.

Our current Net Profit is recorded at ₹ 2.06 Crores as compared to the last year's ₹ 2.25 Crores. Our air cargo revenue has seen a marginal drop from ₹ 15.57 Crores in last year to ₹ 15.39 Crores this year. We have in fact seen a rise in the turnover from our trading business. 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 ₹ 240.41 Crores which marked a leap of 18.51% from the previous year's ₹ 202.86 Crores. We are proud to have achieved this milestone despite adverse market conditions. We expect to maintain, if not exceed, this momentum for the current year as well.

I also take this opportunity to express my sincere gratitude to our Board of Directors, Airport Authority of India, Customs Department, Custom House Agents, IATA Agents and all our valued exporters and importers as well as associates, for their wholehearted support in our progressive strides.

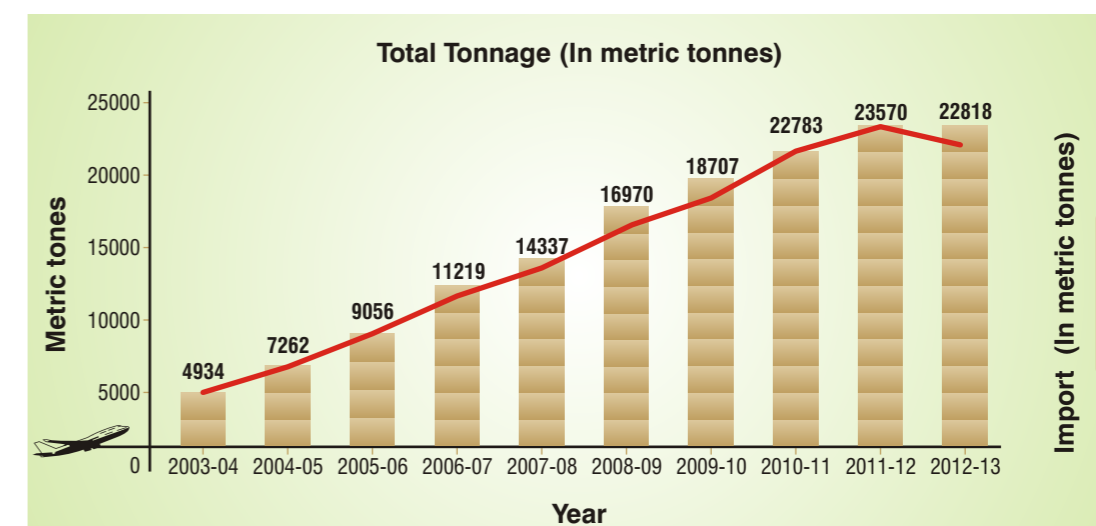
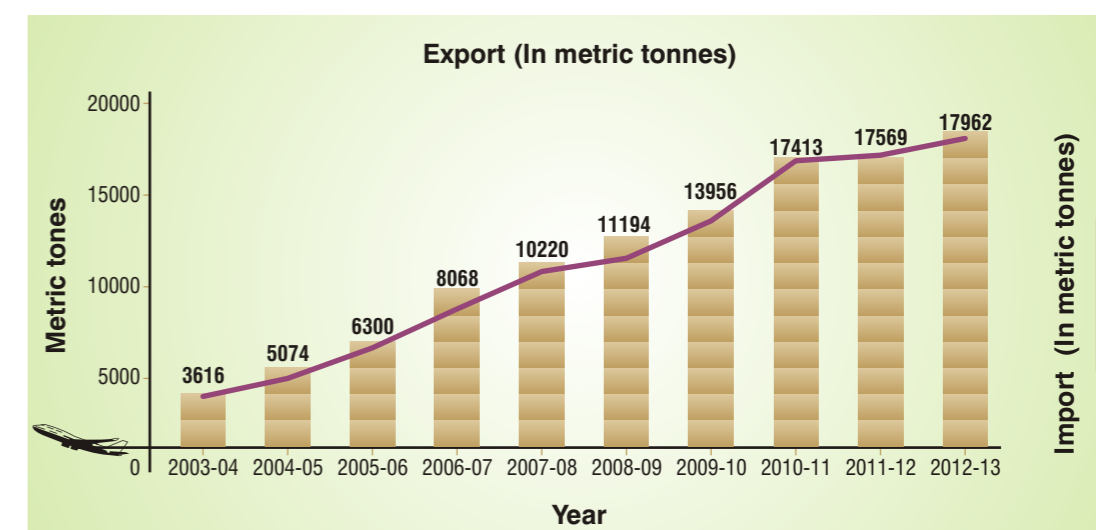
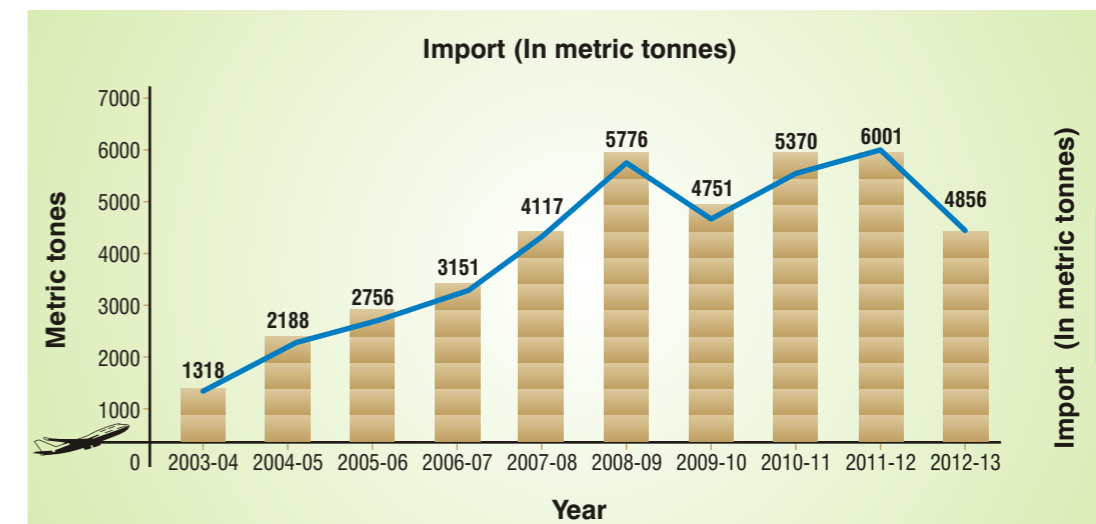
It is always our goal to safeguard the interest of our investors which is reflected in our efforts and the corresponding financial statistics. It is our vision to grow with our investors by implementing all the necessary measures to become a leading Air Cargo Logistics and International Trade Services provider.

With Best Wishes,

Rakesh R. Shah
Chairman & Managing Director

COMPARATIVE PERFORMANCE

Ahmedabad Air Cargo Complex



New Air Cargo Complex
Ahmedabad Airport



Screening Facility
Ahmedabad Air Cargo
Complex

Weather Station
By Komoline Aerospace Limited



Air Cargo Warehouse
Ahmedabad Air Cargo
Complex



Tyre Pyrolysis Plant
at Ratlam under GSEC
Green Energy Pvt. Ltd.



Rain Station
By Komoline Aerospace
Limited



Cold Storage Facility
Ahmedabad Air Cargo Complex

Research Center
Komoline Aerospace
Limited





GSEC
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DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 47th Annual Report together with the audited statements of accounts for the year ended 31st March, 2013.

1. Financial Results:

Particulars	Amount ₹ in Lacs	
	2012-13	2011-12
Revenue from Operations and Other Income	24,275.12	20,805.49
Profit before Financial Charges, Depreciation and Taxation	833.03	727.66
Less: Financial Charges	(348.97)	(264.82)
Less: Depreciation and Amortization Expenses	(189.45)	(156.45)
Profit before Exceptional and Prior period Items and Tax	294.61	306.39
Less: Exceptional Items	(NIL)	(NIL)
Less: Prior period Items	(NIL)	(NIL)
Profit before Tax	294.61	306.39
Less: Current Tax	(100.00)	(80.00)
Deferred Tax Asset/(Liability)	11.63	(1.09)
Less: Provision for Tax of Earlier years	(0.09)	(NIL)
Profit after Tax	206.15	225.30
Amount available for Appropriation	206.15	225.30
Transfer to General Reserve	25.00	25.00
Proposed Dividend and Dividend Tax	78.29	74.95
Balance carried to Balance Sheet	102.86	125.35

2. Appropriations:

(A) TRANSFER TO RESERVES –

We propose to transfer ₹ 25,00,000 (Rupees Twenty Five Lacs only) which is 12.13% of the Net Profit of the Company to the General Reserves.

(B) DIVIDEND –

Your Directors are pleased to recommend a dividend @ 10% (₹ 1 per share) for the year ended 31st March, 2013 (Previous Year 10% (₹ 1 per share)).

3. Operational Highlights and State of Affairs:

Air Cargo services:

Despite of the unfavorable international and national economy and fluctuating exchange rate; your Company has managed to maintain its performance levels.

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

During the year, the Company has handled 27146 Metric Tonnes of Air Cargo out of which 22818 Metric Tonnes of Cargo handled at Ahmedabad Complex. The tonnage is more or less maintained compared to previous year despite adverse external environment. The Indore Air Cargo Complex has achieved nearly 70% growth in terms of revenue. It generated the revenue of ₹ 64.25 Lacs in current year which was ₹ 38.20 Lacs in previous year. The Vizag Air Cargo Complex, a recently developed Air Cargo Complex, has also achieved comparative excellence in terms of operations and revenue both. It generated revenue of ₹ 44.82 Lacs; a jump of nearly 50% against the revenue of previous year.



Trading Business:

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

Your company is an authorised distributor of Essar Oil Limited in Gujarat region and engages itself in trading various products like Furnace Oil, Bitumen and other related products.

During the year under review, the Company has achieved nearly 20% of growth in terms of revenue generated from the trading business. The revenue generated from trade for the current year stood at ₹ 225 Crores which was ₹ 188 Crores in the previous year.

4. Future Plans:

The company is already in the process of setting up its first foray into Sea Logistics by establishing an Inland Container Depot at Ratlam, in the state of Madhya Pradesh under its subsidiary "GSEC Logistics Limited". In view of poor market condition, this project was held in abeyance but the work would begin this year as the international business volumes are likely to grow.

5. Material and Strategic Change(s) During the Year:

- 1) It is to be noted that, since the closure of the last financial year, M/s. Komal Marketing Private Limited, an erstwhile wholly-owned subsidiary, has been amalgamated with the company with retrospective effect from 01.04.2011 consequent upon the order passed by the Honorable High Court of Gujarat dated 23.10.2012. Accordingly, the financial statements of both the companies have been merged and grouped accordingly.
- 2) Your Directors are pleased to inform you that the Board of Directors at its meeting convened on 11th May, 2013, have considered and consented to dematerialize the shares of the company which are currently held in physical form in order to facilitate all the shareholders of the company.

More details with this respect are provided in the Corporate Governance Report.

6. Directors:

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

Further, as the directorship of Shri Shaishav Shah as a Whole-time Director of the Company was due to expire on 11th June, 2013 the Board has re-appointed him at its meeting held on 11th May, 2013 with effect from June 12, 2013 for a further term of 3 years subject to the approval of members in their ensuing Annual General Meeting. Your Directors propose and recommend the re-appointment of the said director.

During the year under review, there has been no other change in Directorship(s) or Designation(s) of any Director(s) of the Company.

7. Fixed Deposits:

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

8. Audit, Finance and Accounts:

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

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

9. Auditors and Auditor's Report:

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

M/s. BJS & Associates, have confirmed their eligibility for re-appointment under Section 224(IB) of the Companies Act, 1956.

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



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

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

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

11. Directors' Responsibility Statement:

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

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

12. Holding Company:

Komal Infotech Private Limited holds 47,83,910 i.e. 63.36% shares in GSEC Limited. There is no material change in the holding company to be reported.

13. Subsidiaries:

Your Company has following subsidiaries at the end of the year –

1. GSEC Logistics Limited
2. GSEC Green Energy Private Limited
3. Komoline Aerospace Limited
4. Komal Marketing Private Limited*

*M/s. Komal Marketing Private Limited, a Wholly-owned Subsidiary of GSEC Limited has been merged with GSEC Limited as per the order passed by the Hon'ble High Court of Gujarat dated 23.10.2012 with retrospective effect from 01.04.2011.

Operational Highlights of Subsidiaries –

(A) GSEC Logistics Limited

The Company is setting up an Inland Container Depot at Ratlam, in the State of Madhya Pradesh, to help businesses speeding up the flow of the cargo between the Industries and Ports. In addition, a Railway Line within the ICD will provide a huge competitive advantage.

The Company is intending to begin the operations with a start up capacity of handling 3000 TEUs(Twenty foot Equivalent Unit) per month. Currently, some necessary approvals from the concerned Departmental Authorities are pending which are expected to be released shortly.

(B) GSEC Green Energy Private Limited

GSEC Green Energy Private Limited, which was incorporated in 2011, has established and currently operating a Tyre Pyrolysis plant to produce tyre oil from the waste tyres. The Pyrolysis is an innovative concept which includes scientific and the environmental protection

refinery mechanism. This technology basically involves mechanism of using waste tyres as a raw material and producing fuel, carbon black, steel and gas, as byproduct. The products are a cheaper alternative to other fuels like furnace oil. This way, over and above generating revenue and income, it also helps saving environment to a great extent.

The plant is currently running at full capacity and operations have been stabilized to meet the increasing demand of the product.

(C) Komoline Aerospace Limited

Komoline Aerospace Limited is a technology-intensive company established in 1990. Its business range mainly comprises Aerospace, Satellite-enabled instrumentation and Hydro-Meteorology. The fields of business have been steady over the past two decades and the Company is a mature entity poised for a contribution to the country's technological efforts in its niche areas.

The operations of the Company has been very diverse in the executive sphere and consequently the organization has developed in a "Matrix" mode rather than a hierarchical pyramid, which has been the secret behind the organization's demonstrated efficacy in the design and development of a very large number of technology-and-engineering-intensive products competing with established international players.

14. Corporate Governance Report:

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

15. Personnel:

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

16. Human Resource:

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

17. Acknowledgement:

Your Directors are thankful to customers and bankers for their continued support to the Company. Yours directors are also thankful to the Regulatory and Government authorities.

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

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

**Date: 20th July, 2013
 Place: Ahmedabad**

**Rakesh R. Shah
 Chairman & Managing Director**

**Samir H. Mankad
 Whole-time Director**

ANNEXURE - I

Annexure to the Director's Report

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2013.

A) Conservation of energy:

a) Energy conservation measures taken:

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

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

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

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

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

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

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

B) Technology Absorption:

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

C) Foreign Exchange Earnings and Outgo:

Activities relating to exports; initiatives taken to increase exports etc. : The Company has nothing to report under this Clause.

Foreign Exchange used and earned:

Particulars	Current year (2012-13)	Previous year (2011-12)
Earnings	NIL	₹ 4.04 Crores
Out go	₹ 18.17 Crores	₹ 45.43 Crores

FORM - B
Form for disclosure of particulars with respect to absorption

1) Research and Development (R & D):

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

The Company has not carried out R & D in any specific area

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

c) Future plan of action.

The Company has nothing to report under this clause

d) Details of R & D Expenditure.

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

2) Technology Absorption, Adaption and Innovation.

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

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

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

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

c) Details of Technology Imported (During the last 5 years).

a. Technology Imported:	N.A.
b. Year of Import:	N.A.
c. Has technology been fully absorbed? :	N.A.
d. If not absorbed, areas where this has not taken place, reasons there for and future plan of action:	N.A.

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

Date: 20th July, 2013
Place: Ahmedabad

Rakesh R. Shah
Chairman & Managing Director

Samir H. Mankad
Whole-time Director

ANNEXURE - II

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

(Amount ₹ in Thousands)

Sr. No	Name of the Subsidiary Company	GSEC Logistics Limited	GSEC Green Energy Private Limited	Komoline Aerospace Limited
1.	Financial Year of Subsidiary ended on	31st March, 2013	31st March, 2013	31st March, 2013
2.	No. of Shares held by the company	50,000 Equity shares of ₹ 10/- each	10,000 Equity shares of ₹ 10/- each	95,625 Equity shares of ₹ 100/- each
3.	Extent of Interest	100.00 %	100.00 %	51.00 %
4.	The net aggregate of Profit / (Loss) of the Subsidiary Company in so far as it concerns the members of the Holding Company.			
	Not dealt with in the accounts of the Company for the year ended 31.03.2013			
	a) For the Subsidiary's financial year ended 31st March, 2013.	1,898.37	12,005.20	5.20
	b) For the previous financial years of the Subsidiary.	(899.20)	(1,540.82)	1974.38
	Dealt with in the accounts of the Company for the year ended 31.03.2013			
	a) For the Subsidiary's financial year ended 31st March, 2013.	NIL	NIL	NIL
	b) For the previous financial years of the Subsidiary.	NIL	NIL	NIL

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

Rakesh R. Shah
Chairman & Managing Director

Samir H. Mankad
Whole-time Director

Date: 20th July, 2013
Place: Ahmedabad



CORPORATE GOVERNANCE REPORT

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

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

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

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

2) Board of Directors:

Composition:

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

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

Board meetings

During the year, Five Board Meetings were held on (1) 27-04-2012, (2) 18-08-2012, (3) 24-09-2012, (4) 27-12-2012 and (5) 25-03-2013. The composition of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also number of other directorship(s) are given below:

Sr. No.	Names of Directors	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of Director ships in other Companies*
1	Shri Rakesh Shah	Managing Director	5	Yes	10
2	Shri Samir Mankad	Executive Director	5	Yes	2
3	Shri Shaishav Shah	Executive Director	5	Yes	8
4	Shri Chinubhai Shah	Non-executive Director	5	Yes	10
5	Shri Bhalabhai Patel	Non-executive Director	4	Yes	1
6	Shri Natwarlal Patel	Non-executive Director	5	Yes	10
7	Shri Shyamal Joshi	Non-executive Director	4	Yes	8

*As per the Latest Notices of Disclosures received from the respective Directors.

The Board meets at least once a quarter.

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

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

3) Committees:

(A) Audit Committee

Audit Committee of Directors constituted w.e.f. 30-08-2010 as per provisions of Section 292A of Companies Act, 1956. The Company's Audit Committee consists of four Directors out of which three Directors are Non-executive directors. The members of the committee are Shri Shyamal Joshi, Shri Chinubhai Shah, Shri Bhalabhai Patel, and Shri Samir Mankad, of which, Shri Shyamal Joshi acts as the Chairman.

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

During the year, Two Committee Meetings were held on 18-08-2012 and 27-12-2012.

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

(B) Remuneration Committee

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

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

During the year, One Committee Meeting held on 18-08-2012. Details of the remuneration for the year ended 31-03-2013 is as below:

Name	Position held During the period	Total Remuneration Amount ₹ in Lacs
Shri Rakesh Shah	Chairman & Managing Director	31.00
Shri Samir Mankad	Whole-time Director	14.27
Shri Shaishav Shah	Whole-time Director	15.50

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

(C) Share Transfer and Grievances Committee

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

The Committee consists of Shri Chinubhai Shah, Shri Rakesh Shah and Shri Samir Mankad, of which, Shri Chinubhai Shah acts as the Chairman.

During the year, One Committee Meeting held on 03-10-2012.

As a measure of good corporate governance and to focus on the Shareholders' Request(s) 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 Investors' / Shareholders' Grievances'.

4) General Body Meetings

(A) Annual General Meetings –

The last three Annual General Meetings were held as under:

Financial year ended	Date	Time	Venue
31-03-2012	24-09-2012	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industry's Building, Ashram Road, Ahmedabad - 380 009
31-03-2011	17-09-2011	11.00 a.m.	Amratlal Hargovindas Hall, Gujarat Chambers' Building, Ashram Road, Ahmedabad - 380 009
31-03-2010	28-08-2010	4.00 p.m.	Amratlal Hargovindas Hall, Gujarat Chambers' Building, Ashram Road, Ahmedabad - 380 009

(B) Extra Ordinary General Meeting(s)

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

5) Disclosures

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

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

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

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

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

6) General Shareholder Information

Date, time and venue of AGM	Wednesday, 18th September, 2013, at 11.00 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industry's Building, Ahmedabad - 380 009.
Record Date	18th day of September, 2013.
Listing on Stock Exchanges	N.A.
Listing Fees	N.A.
ISIN NO.	N.A.
Stock Exchange's Script Code	N.A.
Dividend Payment Date	Within 30 days of AGM
Registrar and Share Transfer Agent	The Company directly handles the Share Transfer and other related requests of the Shareholders.



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

(i) Share Transfer System

The process of transfer / transmission / transposition etc. of equity shares held in physical form including dispatch of the share certificates is completed within a period of 30 days if the documents are in order in all respects. The Company Secretary, under the authority of the Board, approves transfers, which are noted at subsequent board meetings.

(ii) Dematerialisation of shares, Registrar & Transfer system:

All the equity shares of the Company are in physical forms and the share transfer related formalities are being handled by the Company itself and hence not appointed any RTA.

However, the Board of Directors vide its resolution dated 11.05.2013 has consented to dematerise the shares of the Company.

Accordingly, the Company is under process of obtaining the connectivity of both the depositories i.e. NSDL and CDSL.

(iii) Investors Correspondence:

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

Shri Viral B. Mehta
Company Secretary,
2nd Floor, Gujarat Chamber's Building,
Ashram Road, Ahmedabad – 380007.
Contact No.: 079-26 57 57 57, 26

(iv) Secretarial Audit for Reconciliation of Capital:

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

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

Rakesh R. Shah **Samir H. Mankad**
Chairman & Managing Director **Whole-time Director**

Date: 20th July, 2013
Place: Ahmedabad

INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Limited

Report on the Financial Statements

We have audited the accompanying financial statements of GSEC Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, 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 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act 1956, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

For and On Behalf of
For BJS And Associates
Chartered Accountants
Firm Registration No. 113268W

Bipin J. Shah
Partner
Membership No. 10712

Date : 20.07.2013
Place : Ahmedabad



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Limited

(Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March 2013 of GSEC Limited, Ahmedabad.)

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

Particulars	No. of Parties	Amount ₹ in Lacs
Opening balance	3	724.87
Granted during the year	5	526.51
Received during the year	5	378.15
Closing Balance	3	873.23

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

Particulars	No. of Parties	Amount ₹ in Lacs
Opening balance	5	1193.64
Taken during the year	4	1018.67
Repaid during the year	5	1915.25
Closing Balance	4	297.07

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

(b) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.

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

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

V. In our opinion and according to the information and explanations given to us and based on the representation by the management, there are no transactions have been taken place which need to be entered in the register maintained under Section 301 of the Companies Act, 1956

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

VII. The Company has appointed a firm of Chartered Accountants as its Internal Auditors for the year under review, on the basis of the reports made by the internal auditors to the management. The internal audit system is in our opinion, commensurate with the size and nature of the business of the corporation.

VIII. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of the company.

IX. Statutory and other dues:

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

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

There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty and Excise Duty, Cess and other material dues in arrears as at 31st March, 2013, for a period of more than six months from the date they became payable.

Details of dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013, on account of disputes are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (₹ In Lacs)
Customs Act, 1962	Custom Duty	Appellate Authority up to Commissioner Level	2011-12	310.26
VAT Tax Act, Gujarat	Value Added Tax	Tribunal	2007-08 & 2008-09	887.39

X. The Company has no accumulated losses at the end of financial year and it has not incurred cash losses in the financial year in the report.

XI. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.

XII. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence, we have no comments to offer in respect of clause 4(xii) of the Companies (Auditor's Report) Order, 2003.

XIII. In our opinion the company is not a Chit Fund or Nidhi mutual benefit fund/ Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report), 2003 are not applicable to the company.

XIV. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the company in its own name.

XV. The Company has given guarantees for loans taken by others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.

XVI. The Company has not taken any term loans during the year.

XVII. On the basis of our examination of the Balance Sheet of the company and according to the information and explanations given to us, the Company has not used the funds borrowed on short term basis for long term investment and vice versa.

XVIII. The Company has made Preferential Allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 at a price which is not prejudicial to the interest of the company.

XIV. The Company has not issued any debenture during the year.

XX. The Company has not raised money by public issue.

XXI. To the best of our knowledge and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Bipin J. Shah
Partner
Membership No. 10712

Date : 20.07.2013
Place : Ahmedabad

Balance Sheet as at 31st March, 2013

Particulars	Note No.	Amount ₹ in Lacs	
		As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	755.00	645.00
(b) Reserves and Surplus	2	1,374.49	1,074.36
2 Share Application Money pending allotment		-	-
3 Non-current Liabilities			
(a) Long-term Borrowings	3	28.67	78.59
(b) Deferred tax Liabilities (Net)		-	4.17
(c) Other Long-term Liabilities	4	182.39	210.46
(d) Long-term Provisions		-	-
4 Current liabilities			
(a) Short-term Borrowings	5	2,215.00	3,693.15
(b) Trade Payables	6	5,015.01	552.78
(c) Other Current Liabilities	7	902.31	578.05
(d) Short-term Provisions	8	84.82	85.75
TOTAL		10,557.69	6,922.31
II. ASSETS			
Non-current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets	9	1,211.91	1,288.88
(ii) Intangible Assets		-	-
(iii) Capital Work-in-progress		-	19.55
(iv) Intangible Assets under development		-	-
(b) Non-current Investments	10	418.42	302.30
(c) Deferred tax Assets (net)		6.62	-
(d) Long-term Loans and Advances	11	295.06	546.37
(e) Other Non-current Assets		-	-
2 Current Assets			
(a) Current Investments	12	-	47.30
(b) Inventories	13	15.01	1,026.67
(c) Trade Receivables	14	6,265.93	1,507.15
(d) Cash and Cash Equivalents	15	797.11	859.39
(e) Short-term Loans and Advances	16	1,531.72	1,310.55
(f) Other Current Assets	17	15.91	14.15
TOTAL		10,557.69	6,922.31
Significant Accounting Policies & Notes on Financial Statements	23		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR & ON BEHALF OF BOARD OF DIRECTORS

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

RAKESH R. SHAH
Chairman & Managing Director.

BIPIN J. SHAH
Partner
Membership No. 10712

SAMIR H. MANKAD **VIRAL B. MEHTA**
Whole Time Director Company Secretary

Date : 20.07.2013
Place : Ahmedabad

Date : 20.07.2013
Place : Ahmedabad

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No.	Amount ₹ in Lacs	
		2012-13	2011-12
I. Revenue From Operations			
Sale of Products		22,495.16	18,716.59
Sale of Services		1,538.94	1,556.85
Other Operating Revenues		6.51	12.97
Less:			
Excise Duty		-	-
II. Other Income	18	234.51	519.08
III. Total Revenue (I + II)		24,275.12	20,805.49
IV. Expenses:			
Cost of Trading Goods Sold		21,209.00	19,361.47
Changes in Inventories of Stock-in Trade	19	1,018.93	(759.45)
Employee Benefits Expense	20	197.90	185.77
Finance Costs	21	348.97	264.82
Depreciation and Amortization Expense		189.45	156.45
Other Expenses	22	1,016.26	1,290.03
Total Expenses		23,980.51	20,499.09
V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)		294.61	306.39
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		294.61	306.39
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		294.61	306.39
X Tax expense:			
(1) Current Tax		(100.00)	(80.00)
(2) Deferred Tax		11.63	(1.09)
(3) Short Provision for Last Years		(0.09)	-
XI Profit/(Loss) for the period from continuing operations (IX-X)		206.15	225.30
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(Loss) from Discontinuing operations (After tax) (XII-XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		206.15	225.30
XVI Earnings per Equity Share (in ₹) :		2.73	3.49

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR & ON BEHALF OF BOARD OF DIRECTORS

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

RAKESH R. SHAH
Chairman & Managing Director.

BIPIN J. SHAH
Partner
Membership No. 10712

SAMIR H. MANKAD **VIRAL B. MEHTA**
Whole Time Director Company Secretary

Date : 20.07.2013
Place : Ahmedabad

Date : 20.07.2013
Place : Ahmedabad

Cash Flow Statement for the year ended 31st March, 2013

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	294.61	306.40
Adjustments For:		
Depreciation	189.45	156.45
Misc. Dr./ Cr. written off	(6.83)	00.93
Bad debts written off	(0.87)	55.37
Provision for Doubtfull Debts Written back	-	(23.90)
Provision for Diminution No Longer Required	-	(9.36)
Excess Provision For Earlier Year	(5.11)	(14.67)
Loss on sale of investments (net)	-	3.56
Interest received (Corporate & IT refund - TDS)	(176.71)	(134.44)
Interest/Dividend Paid -finance cost	348.97	264.82
Dividend Received	(1.51)	(0.08)
Amount Persuant to Scheme of Amalgamation	(14.73)	-
(Profit)/Loss on Sale of Assets	(0.18)	(23.68)
Export incentive income	-	(33.81)
Operating Profit before working capital changes	627.10	547.59
Movements in working capital		
Adjsutment for Decrease (Increase) in opearting assets		
Trade and other Receivables	(4751.08)	267.96
Inventories	1011.66	(759.45)
Short-term loans and advances	(221.17)	-
Other current assets	(1.76)	-
Adjsutment for Decrease (Increase) in opearting Liability		
Trade Payables	4434.16	(835.62)
Other current liabilities	325.11	149.43
Taxes Paid	(124.89)	(129.27)
Net cash generated from operating activities	1299.12	(759.35)
before exceptional items		
Extraordinary item	-	-
Net cash generated from operating activities	1299.12	(759.35)
CASH FLOW FROM INVESTING ACTIVITIES:		
Addition to Fixed assets	(94.72)	(615.25)
Sale of fixed assets	1.96	118.68
Sale of investments (net)	-	14.00
Purchase of Investments	(68.82)	(32.88)
Investment in Subsidiaries	00.00	(296.33)
Interest received	176.71	134.44
Dividend Received	1.51	00.08
Long Term Loans & Advances	276.95	-
Increase in other Loans	-	(343.38)
Drease/Increase in other Deposits	-	41.97
Net cash flow from investing activities	293.60	(978.67)

Cash Flow Statement for the year ended 31st March, 2013 (Contd.)

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds of Long term borrowings	(49.92)	77.08
Interest paid	(348.97)	(264.82)
Addition/ Repayment of Secured/ Unsecured Loans (Net)	(1478.15)	2425.07
Dividend Paid	(74.96)	(67.47)
Issue of Share Capital & Premium Received During The Year	297.00	-
Net cash flow from financing activities	(1655.00)	2169.86
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(62.28)	431.84
Cash and cash equivalents at the beginning of the year	859.39	427.55
Cash and cash equivalents at the end of the year	797.11	859.39

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR & ON BEHALF OF BOARD OF DIRECTORS

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

RAKESH R. SHAH
Chairman & Managing Director.

BIPIN J. SHAH
Partner
Membership No. 10712

SAMIR H. MANKAD **VIRAL B. MEHTA**
Whole Time Director Company Secretary

Date : 20.07.2013
Place : Ahmedabad

Date : 20.07.2013
Place : Ahmedabad

Notes on Financial Statement for the year ended 31st March, 2013

1. Share Capital

Amount ₹ in Lacs

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10 each	10,000,000	1,000.00	10,000,000	1,000.00
Issued				
Equity Shares of ₹10 each	7,550,000	755.00	6,450,000	645.00
Subscribed & fully Paid up				
Equity Shares of ₹10 each	7,550,000	755.00	6,450,000	645.00
Total	7,550,000	755.00	6,450,000	645.00

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

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

Amount ₹ in Lacs

Particulars	Equity Shares			
	As at 31st March, 2013		As at 31st March, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	6,450,000	645.00	6,450,000	645.00
Shares Issued during the year	1,100,000	110.00	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	7,550,000	755.00	6,450,000	645.00

1.3 Terms/rights attached to equity shares

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

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

Particulars	Nature of Relationship	As at 31st March, 2013	As at 31st March, 2012
		Equity Shares	
Komal Infotech Private Ltd.	Holding Company	4,783,910	3,683,910

1.5 Details of Shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Ltd.	4,783,910	63.36	3,683,910	57.11
Priti R. Shah	1,547,670	20.50	1,547,670	23.99
Rakesh R. Shah	635,790	8.42	635,790	9.86
Shaishav R. Shah	387,270	5.13	387,270	6.00

2. Reserves & Surplus

Amount ₹ in Lacs

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
a. Securities Premium Account		
Opening Balance	150.00	150.00
Add : Securities premium credited on Share issue	187.00	-
Closing Balance	337.00	150.00
b. General Reserves		
Opening Balance	132.96	107.96
(+) Current Year Transfer	25.00	25.00
(-) Amount Pursuant to Scheme of Amalgamation	(14.73)	-
[Refer Note No.24 (v)] Closing Balance	143.23	132.96
c. Surplus/Deficit in statement of Profit and Loss		
Opening balance	791.40	666.05
(+) Net Profit/(Net Loss) For the current year	206.15	225.30
(+) Transfer from Reserves	-	-
(-) Short Provision of income tax of earlier years	-	-
(-) Proposed Dividend	(67.36)	(64.50)
(-) Tax on Proposed Dividend	(10.93)	(10.45)
(-) Interim Dividends	-	-
(-) Transfer to Reserves	(25.00)	(25.00)
Closing Balance	894.26	791.40
Total	1,374.49	1,074.36

Non-current liabilities

3. Long-term Borrowings

Amount ₹ in Lacs

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Secured Loans				
Term loans				
Rupee Loan				
-From Banks	28.67	74.28	49.92	41.51
-From Others	-	4.31	-	12.36
(All above loans are secured against Hypothecation of Motor cars)				
	28.67	78.59	49.92	53.87
Amount disclosed under the head *Other Current Liabilities (Note - 7)			49.92	53.87
Total	28.67	78.59	49.92	53.87

Non Current Liabilities
4. Other Long Term Liabilities

Amount ₹ in Lacs

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Trade Payables	182.39	210.46
Total	182.39	210.46

Current liabilities
5. Short-term Borrowings

Amount ₹ in Lacs

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
a) Secured Loans		
Working capital facilities from UCO bank	960.90	907.53
Working capital facilities from Development Credit Bank Ltd.	402.03	394.96
Foreign Currency Loans - Buyers Credit (Secured against hypothecation of Book Debts & Personal Guarantee of Directors & their relatives)	-	752.95
	1,362.93	2,055.44
b) Unsecured Loans		
(i) Loans repayable on demand		
From Kotak Mahindra Prime Ltd.	-	94.08
From Others		
- Metroglobal Limited	555.00	-
- Anil Dye Chem Industries Pvt. Limited	-	350.00
	555.00	444.08
(ii) Loans from Related parties		
Komal Infotech Pvt. Ltd.	218.02	725.58
GSEC Aviation Ltd.	40.08	27.98
Komal Marketing Pvt. Ltd.	-	280.00
	258.10	1,033.55
(iii) Deposits		
Director's Deposit	38.97	160.07
	852.07	1,637.70
Total	2,215.00	3,693.15

Current liabilities
6. Trade Payables

Amount ₹ in Lacs

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Trade Payables	5,015.01	552.78
Total	5,015.01	552.78

Current liabilities
7. Other Current Liabilities

Amount ₹ in Lacs

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
(a) Current Maturities of Long-term Debt	49.92	53.87
(b) Unclaimed Dividends	3.06	2.33
(c) Creditors for Capital Expenditure	3.66	23.62
(I) Other Payables (Specify Nature)		
a) Statutory Dues Payables	68.65	93.90
b) Trade/Security Deposit	18.14	13.60
c) Advance from Customers	585.18	376.51
d) Provision for Bonus	6.65	7.04
e) Other Liabilities	167.05	7.18
TOTAL	902.31	578.05

Current liabilities
8. Short-term Provisions

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
(a) Provision for employee benefits		
Gratuity (Funded)	-	-
Leave Encashment (Unfunded)	6.53	10.79
	6.53	10.79
(b) Others		
Proposed Dividend	67.36	64.50
Tax on Proposed Dividend	10.93	10.46
	78.29	74.96
Total	84.82	85.75

9. Fixed Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at April 1, 2012	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation charge for the year	On disposals	Balance as at March 31, 2013	Balance as at March, 2013	Balance as at March, 2012
a. Tangible Assets (Not Under Lease)										
Land	20.93	-	-	20.93	-	-	-	20.93	20.93	20.93
Buildings	565.92	43.78	-	609.70	74.14	25.53	-	99.67	510.03	491.78
Plant and Equipment	181.28	-	-	181.28	64.85	16.20	-	81.05	100.23	116.43
Furniture and Fixtures	231.66	2.83	-	234.50	90.70	26.14	-	116.84	117.66	140.96
Vehicles	422.84	17.67	-	440.52	136.33	78.27	-	214.61	225.91	286.51
Office equipment	275.12	45.93	3.48	317.57	89.89	29.03	1.69	117.22	200.35	185.23
Computers	75.33	3.35	-	78.68	50.37	11.17	-	61.54	17.14	24.96
A.C Machines & Plant	32.44	0.69	-	33.13	10.36	3.12	-	13.48	19.66	22.08
Total (I)	1,805.52	114.26	3.48	1,916.32	516.64	189.45	1.69	704.41	1,211.91	1,288.88
b. Capital Work In Progress										
Building under construction	-	-	-	-	-	-	-	-	-	-
Total (ii)	-	-	-	-	-	-	-	-	-	19.55
Total	1,805.52	114.26	3.48	1,916.32	516.64	189.45	1.69	704.41	1,211.91	1,308.43
Previous Year's Details	1,384.53	595.71	174.72	1,805.52	439.69	156.46	79.51	516.64	1,288.88	944.82

10. Non-current Investments

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Trade Investments		
In Equity Shares of Subsidiary Companies - Unquoted, fully paid-up		
50,000 Equity Shares of GSEC Logistics Limited of ₹ 10 each (P.Y. 50,000 Shares)	5.00	5.00
1000 Equity Shares of Komal Marketing Private Limited of ₹ 100 each (P.Y. 1,000 Shares)	-	1.00
95,625 Equity Shares of Komoline Aerospace Limited of ₹ 100 each (P.Y. 95,625 Shares)	294.33	294.33
10,000 GSEC Green Energy Private Limited of ₹ 10 each (P.Y. 10,000 Shares)	1.00	1.00
	300.33	301.33
Other Investments		
Investment in Equity Instruments		
QUOTED INVESTMENTS		
28,925 Equity Shares fully paid up of ₹ 1 each of Adani Enterprises Limited (P.Y. 8,925 Shares of ₹ 1 Each)	83.93	-
500 Equity Shares fully paid up of ₹ 10/-each of Reliance Industries Limited (P.Y. 500 Shares of ₹ 10 each)	3.88	-
5,750 Equity Shares fully paid up of ₹ 10/- each of Tata Steel Limited (P.Y. 5,750 Shares of ₹ 10 each)	24.81	-
UNQUOTED INVESTMENTS		
667 Equity Shares of GITCO OF ₹100 each	0.67	0.67
(P.Y. 667 Shares)		
Investments in Government Securities-Unquoted		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.10
7 Years National Savings Certificates (Deposited with Governor of Karwar)	0.20	0.20
15000 Equity Shares of Kalapur Commercial Co.Op. Bank Limited of ₹ 25/- each (P.Y. 0 Shares)	3.75	-
13700 Equity Shares fully paid up of ₹ 1 each of Enrich Industries Limited	0.69	-
250 Equity Shares fully paid up of ₹ 10 each of GNFC Limited (P.Y. 0 Shares)	0.05	-
100 Equity Shares fully paid up of ₹ 1 each of PAN India Corporation Limited (P.Y. 0 Shares)	0.01	-
5 Equity Shares fully paid up of ₹ 1 each of Pentamedia Graphic Limited (P.Y. 0 Shares)	-	-
Total	118.08	0.97
	418.42	302.30

Non-current assets

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

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Capital Advance	25.00	25.00
Deposit and Balance with Government Authorities	4.11	5.11
Deposit with Others	81.42	100.22
Advance Income Tax (Net of Provisions)	87.62	71.83
Other Loans and Advances	96.91	344.21
Total	295.06	546.37

Current assets

12. Current Investments

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Investment in Equity Instruments		
Quoted, fully paid-up		
28,925 Equity Shares fully paid up of ₹ 1/- each of Adani Enterprises Limited (P.Y.8,925 Shares of ₹ 1/- each)	-	18.61
500 Equity Shares fully paid up of ₹ 10/- each of Reliance Industries Limited (P.Y. 500 Shares of ₹ 10/- each))	-	3.88
5,750 Equity Shares fully paid up of ₹ 10/- each of Tata Steel Limited (P.Y. 5,750 Shares of ₹ 10/- each)	-	24.81
	-	-
Total	-	47.30

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Market Value of Quoted Investments	-	57.93

Current assets

13. Inventories

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Trading Goods	15.01	1,026.67
Total	15.01	1,026.67

Current assets

14. Trade Receivables

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Unsecured- Considered good		
Outstanding for period exceeding six months	811.37	347.21
Other Receivables	5,454.56	1,159.94
	6,265.93	1,507.15
Unsecured, considered doubtful		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
	-	-
Less: Provision for doubtful debts	-	-
Total	6,265.93	1,507.15

Current assets

15. Cash & Cash Equivalents

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
a. Balances with banks		
- In Current Accounts	300.85	380.97
- In Fixed Deposit Accounts	488.46	473.43
(Margin Money against Bank Guarantee)		
- Unpaid Dividend Accounts	3.06	2.33
b. Cash on hand	4.74	2.66
Total	797.11	859.39

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

Short term loans and Advances	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Loan and advances to related parties Unsecured , considered good	873.23	724.87
Security Deposits		
Unsecured , considered good	-	-
Doubtful	-	-
Less Provision for Doubtful Deposits	-	-
	-	-
Loans to Employees (Unsecured , considered good)	1.94	2.05
Prepaid Expenses (unsecured , considered good)	38.63	66.18
Balances with Statutory/Government Authorities (Unsecured, considered good)		
CENVAT Credit Receivable	0.19	6.89
Service Tax Credit Receivable	23.16	50.48
Custom Duty 4% SAD Receivable - Kandla	-	4.91
Custom Duty 4% SAD Receivable - Karwar	-	49.09
Sales Tax Credit Receivable	20.83	18.86
Entry Tax 5% Receivable	3.45	2.07
Inter Corporate deposits including interest accrued) (unsecured, considered good)	300.00	350.00
	388.20	550.53
Other Loans and Advances (Unsecured, including advance to Suppliers)		
Unsecured , Considered Good	270.29	35.15
Doubtful	-	-
Provision for Doubtful Advances	-	-
	270.29	35.15
Total	1531.72	1310.55

Current assets
17. Other Current Assets

Particulars	Amount ₹ in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Interest accrued on inter Corporate Deposits	0.15	0.15
Interest accrued on FDR	15.15	13.39
Investment in Silver Coins	0.61	0.61
Total	15.91	14.15

18. Other Income

Particulars	Amount ₹ in Lacs	
	2012-13 Amount	2011-12 Amount
Interest Income	176.71	134.44
Dividend Income	1.51	0.08
Net gain/loss on Sale of investments/Fixed Assets	0.18	34.29
Other non-operating income	160.49	307.07
Foreign Exchange Difference	(126.75)	(38.54)
Excess Provision for Earlier Year	5.11	14.67
Export Incentives	6.09	33.81
Provision for Diminution no Longer Required	-	9.36
Provision for Doubtful Debt Written Back	-	23.90
Misc./Dr./Cr. Balance Written Back	6.83	-
Bad Debts Recovered	3.70	-
Kasar	0.65	-
TOTAL	234.51	519.08

19. Change in Inventories of Finished Goods

Particulars	Amount ₹ in Lacs	
	2012-13 Amount	2011-12 Amount
Inventories (at close)		
Finished goods / Stock in trade	15.01	1,026.67
Inventories(at commencement)		
Finished Goods / Stock in trade	1,033.94	267.22
Total	1,018.93	(759.45)

20. Employee Benefits Expense

Particulars	Amount ₹ in Lacs	
	2012-13 Amount	2011-12 Amount
(a) Salaries and Incentives	173.41	153.12
(b) Contributions to -		
(i) Provident and Other Fund	-	-
(ii) Superannuation Scheme	8.67	9.90
(c) Gratuity Fund Contributions	2.55	4.39
(d) Staff Welfare Expenses	13.27	18.36
Total	197.90	185.77

21. Finance Costs

Particulars	Amount ₹ in Lacs	
	2012-13 Amount	2011-12 Amount
Interest Expense	282.20	212.75
Bank Charges	64.15	42.50
Other Borrowing Costs	2.62	9.57
Total	348.97	264.82

22. Other Expenses

Amount ₹ in Lacs

Particulars	2012-13	2011-12
	Amount	Amount
Rent and License Fees	115.24	104.67
Rent Guest House	1.81	1.08
Rates and Taxes	2.85	2.77
Insurance	18.87	27.28
Employer/Employee Insurance	74.13	74.14
Electricity	40.85	33.24
Stationery and Printing	7.69	8.35
Postage and Telephone	13.45	15.04
Repairs and Maintenance & Renovation to Building	75.22	117.14
Auditors Remuneration	1.03	0.99
Fees and Legal Expenses	43.64	19.41
Vehicle Expenses	15.77	20.51
Conveyance	1.17	1.13
Advertisement & Publicity Expenses	36.60	33.34
Travelling Expenses	88.59	106.36
Guest House Expenses	2.31	1.38
Miscellaneous Expenses	51.09	26.46
Director Fees & Travelling Expenses	0.79	0.66
Sales Promotion	1.39	6.17
Directors' Remuneration	60.77	52.80
Security Expenses	27.53	23.43
Loss on Sale of Fixed Assets	-	4.49
Royalty	198.75	201.87
Donation	0.98	4.40
Bad Debts Written Off	2.83	55.37
Misc. Dr/Cr. Written off	-	0.93
Kasar	-	1.11
Computer Repairing Expenses & Hardware Expenses	2.08	3.95
Loss on 4% SAD Receivable	0.50	0.41
Commission and Agency Commission	82.06	102.11
Deputation Charges to Custom Department	31.81	27.17
Loss on Sale of Investments	-	9.67
Cargo Handling Expenses	2.01	1.81
Detention/Holtage Charges	0.07	137.02
Loss on Sale of Export Incentives	-	37.02
Discount/Rate Difference Expenses	11.57	22.72
Bunker Expenses	0.12	0.11
Sample Test	0.11	0.71
Inspection/Surveyor Charges	2.57	2.81
TOTAL	1,016.25	1,290.03

23. Notes Forming Part of Accounts

I. Significant Accounting Policies:

1. Basis for preparations of financial statements:

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

2. Method of Accounting:

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

3. Fixed Assets:

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

4. Depreciation:

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

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

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

5. Investments:

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

6. Inventories:

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

7. Sales:

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

8. Taxes on income:

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

9. Foreign Currency Transaction:

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

10. Retirement Benefits:

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

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

Retirement benefits in the form of Provident Fund whether in pursuance of law or otherwise which is defined contribution scheme is accounted on the accrual basis and charged to Statement of Profit and Loss.

24. Other Notes Forming Part of Accounts:

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

Amount ₹ In Lacs

Particulars	2012-13	2011-12
a. Towards Audit Fees	1.03	0.99
b. For Taxation Matters	-	-
c. Certification (Included in Fees and Legal Expenses)	0.07	0.15
Total	1.10	1.14

(ii) Salaries and wages include ₹ 60.77 Lacs (Previous Year ₹ 52.80 Lacs) being the remuneration to Chairman and Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 198 read with Schedule XIII of the Companies Act, 1956.

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

(iv) Contingent Liabilities not provided for :

- 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 ₹ 1135 Lacs (Previous Year ₹ 1100 Lacs)
 - Sales Tax Liability not acknowledged as debt of ₹ 1.64 Lacs (Previous Year ₹ 1.64 Lacs)
 - Higher demand of ₹ 33.07 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 31.03.2013, 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.
 - Demand from Commissioner Customs, Indore, for Cost Recovery charges of custom staff at Indore Airport for ₹ 15.40 Lacs, as the staff on deputation was excess and not acceptable by the company. The commissioner customs has agreed to hold the issue in abeyance and has referred the matter to CBEC.
 - Demand by Brink's Australia Pvt. Limited for compensation of US\$ 4,85,262 for the loss due to theft for one cargo parcel of 10 k.g. Gold. As the company has coverage with the Insurance Company, it may liable to pay the difference of the claim settled with Brink's Australia Pvt. Limited and the claim to be received from the Insurance Company. As the amount is not ascertained, the provision is not made.
 - Demand raised by Directorate of Revenue Intelligence for short payment of Custom Duty for Import of Bitumen at various ports of ₹ 310.26 Lacs.
 - Demand raised by , the Asst. Commissioner of Commercial Tax, Flying Squad – Ahmedabad of ₹ 887.39 Lacs for not allowing input credit of VAT on the purchases of Drinking Water Plant/Water Treatment Plant for the year 2007-08 and 2008-09.
 - The Deputy Commissioner (Audit) of Service Tax Department while issuing Final Audit Report for the year 2009-10 to 2011-12 has objected for non payment of Service Tax of ₹ 29.26 Lacs on rendering exempted services on Cold Storage activities. He has further objected for wrongly availment of CENVAT credit on Construction Services of ₹ 9.65 Lacs. As the Company has not accepted the objection of Deputy Commissioner (Audit). No provision in the books of Accounts has been made,
- (v) Pursuant to the Scheme of Amalgamation (the Scheme) under Section 391 to 394 of the Companies Act, 1956, the Hon'ble High court of Gujarat pronounced an order on 23rd October 2012, sanctioning the scheme of amalgamation of Komal Marketing Private Limited (KMPL or the Amalgamating company) an erstwhile Wholly-owned subsidiary company with the Company with effect from the appointed date 01 April, 2011. Upon filing with Registrar of Companies, Gujarat, Ahmedabad on 18th December, 2012, the scheme has become effective. KMPL was engaged in the business of trading electronic item and petro-chemical products.**
- In the term of scheme approved by the Hon'ble High Court, the entire business and whole undertaking of KMPL, as a going concern stands transferred to and vested in the company with effect from April 01, 2011 being the appointed date.
 - As KMPL was a wholly owned subsidiary of the company, no consideration payable pursuant to amalgamation and no shares of the Company has been issued and allotted in lieu or exchange of the equity shares of KMPL under the scheme. 1000 equity shares of KMPL held by the company stood cancelled.
 - Accounting for amalgamation: The Amalgamation of KMPL with the company is accounted for on basis of the Pooling of Interest method as envisaged in the Accounting Standard(AS)-14 on accounting for amalgamation specified in the Companies (Accounting Standards)Rules, 2006 and in term of the scheme, as below.

d. All Assets, Liabilities and Reserves of KMPL as their respective book value as appearing in the audited financial statement as at 31st March, 2012 have been transferred to and vested in the Company, along with profit for the period 1st april, 2012 to 18th December, 2012 recognised in the Statement of Profit and Loss for the year ended 31st March, 2013.

e. KMPL stands dissolved without being wound up from the effective date i.e. December 18, 2012.

(vi) Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the Accounts.

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

Employees Benefits:

Defined Benefits Plans as per Actuarial Valuation on March 31, 2013.

Amount ₹ in Lacs

Sr.No. Particulars	Gratuity		Leave Encashment	
	31-3-2013	31-3-2012	31-3-2013	31-3-2012
1. The amounts recognized in the Balance Sheet as at the end of the year				
Present Value of Funded Obligation	31.80	34.52	-	-
Fair Value of Plan Assets	37.97	43.24	-	-
Present Value of Unfunded Obligation	-	-	6.53	10.79
Net Assets/(liability)	6.17	8.72	6.53	10.79
2. The amounts recognized in Profit and Loss Account for the year				
Current Service Cost	3.79	4.50	1.65	2.90
Interest Cost	2.93	2.92	0.92	1.65
Expected Return on Plan Assets	(3.68)	(2.95)	-	-
Actuarial (Gains)/Losses	(0.45)	(5.32)	(6.83)	(13.92)
Actual Return on Plan Assets	-	-	-	-
Total Expenses	2.60	(0.85)	-	(9.36)
3. The Changes in Obligations during the year				
Present value of Defined benefit Obligation at the beginning of the year	34.52	35.60	10.79	20.15
Current Service Cost	3.79	4.50	1.65	2.91
Interest Cost	2.93	2.92	0.92	1.65
Actuarial (Gains)/Losses	(0.46)	(5.06)	(6.83)	(13.92)
Benefit Payments	(8.98)	(3.44)	-	-
Present value of Defined Benefit Obligation at the end of the year	31.80	34.52	6.53	10.79
4. The changes in Plan Assets during the year				
Plan Assets at the beginning of the year	43.24	31.02	NIL	NIL
Actuarial gains and (losses)	(0.01)	0.26	NIL	NIL
Contribution by Employer	0.05	12.45	NIL	NIL
Actual Benefit Paid	(8.98)	(3.44)	NIL	NIL
Plan assets at the end of the year	37.97	43.24	NIL	NIL
Actual return on Plan Assets	3.67	2.95	NIL	NIL

Sr. No.	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
(v)	Actuarial Assumption : Discount Rate Turnover Rate	8.25%	8.25%
	Mortality Salary Escalation Rate Retirement age	7% 58 Years	7% 58 & 60 Years

(viii) Related Party Disclosure

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

A. List of Related Parties & Relationship

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

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

Nature of Transaction	Holding Company	Subsidiaries					Associates		Key Management Personnel		
		Komal Infotech Pvt. Ltd.	GSEC Logistics Ltd	GSEC Green Energy Pvt. Limited	Komoline Aerospace Limited	Kalpavruksha Estate & Finance Pvt Ltd	GSEC Aviation Limited	Rakesh R. Shah	Shaishav R. Shah	Samir H. Mankad	
Rent Paid	-	-	-	-	-	-	2.43	-	-		
Interest Paid	30.17	-	-	-	-	2.29	0.47	7.77	-		
Interest Received	-	-	-	-	-	-	-	-	-		
Remuneration	-	-	-	-	-	-	31.00	15.50	14.27		
Advance Outstanding	(218.02)	381.33	490.31	-	-	(40.08)	(10.09)	(28.88)	-		
Loan Taken	863.00	-	-	-	-	72.50	44.21	2.00	-		
Loan Granted	-	5.95	362.42	151.00	-	-	-	-	-		
Loan Repaid	1397.72	-	-	-	-	62.47	34.55	140.18	-		
Loan Repaid by	0.00	-	36.36	336.00	-	-	-	-	-		

(ix) The Net Deferred Tax (Liabilities)/Assets as on March 31, 2013 amounting to ₹ 6.62 Lacs (2011-12 ₹ (4.17 Lacs) has been arrived at as follows

Amount ₹ in Lacs

Deferred Tax Assets arising from:	2012-13	2011-12
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years		
Depreciation	4.46	(0.67)
Gratuity & Leave Encashment	NIL	(3.50)
Bonus Provision	2.16	NIL
Net deferred Tax Assets/(Liability)	6.62	(4.17)

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

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

Amount ₹ in Lacs

Particulars	2012-13	2011-12
Net profit (Loss) after Tax	206.15	225.30
Number of Equity Shares	75,50,000	64,50,000
Nominal Value of Equity Share (₹ per Share)	10	10
Basic & Diluted Earning Per Share (In ₹)	2.73	3.49

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

Amount ₹ in Lacs

	2012-13	2011-12
a. C.I.F. value of imports of:		
Trading Goods	1744.39	4451.89
Spare parts		
Capital Goods	22.98	54.91
d. Expenditure in Foreign Currency:	49.89	36.05
on Foreign Travel		
e. Expenditure in Foreign Currency:	-	-
on purchase of capital items		
f Consumption of:		
i. Raw Materials	-	-
ii. Store and Spares Parts	-	-
g Remittance in Foreign Currency		
On accounts of Agency Commission	-	16.24
h. Earning in Foreign Exchange		
(FOB) Value of Goods Exported)	-	404.99

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, 2013

Amount ₹ In Lacs

	Cargo Handling Service		Trading Activities		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
A. Revenue						
Services/Sales Revenue	1538.94	1556.85	22501.67	18729.55	24040.61	20286.41
Intersegment Revenue	-	-	-	-	-	-
Total Revenue	1538.94	1556.85	22501.67	18729.55	24040.61	20286.41
B. Result						
Segment Result Profit/Loss	1538.94	1482.26	273.74	202.13	1812.68	1684.39
Other Income excluding Interest Income					57.80	384.64
Other Unallocable Expenses					1403.61	1632.26
Operating Profit					466.87	436.77
Interest Income					176.71	134.44
Interest Expenses					348.97	264.82
Profit Before Tax					294.61	306.39
Provision For Income Tax (including Deferred Tax)					88.46	81.09
Net Profit					206.15	225.30
C. Other Information						
Capital Employed						
Segment Assets	4413.49	1701.55	5725.78	4871.17	10139.27	6572.72
Segment Liabilities	92.63	245.41	6091.90	981.63	6184.53	1227.04
Other Unallocable						
Corporate Assets and Liabilities	-	-	-	-	418.42	349.60
Total Capital Employed	-	-	-	-	4373.16	5695.28
Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	103.00	310.06	11.26	285.65	114.26	595.71
Other Unallocable Capital Expenditures	-	-	-	-	-	-
Total	103.00	310.06	11.26	285.65	114.26	595.71
D. Segment Depreciation	100.82	62.58	88.63	93.87	189.45	156.45
E. Non Cash Expenses other than Depreciation	-	-	-	-	2.83	55.37

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

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

BIPIN J. SHAH
Partner
Membership No. 10712

Date : 20.07.2013
Place : Ahmedabad

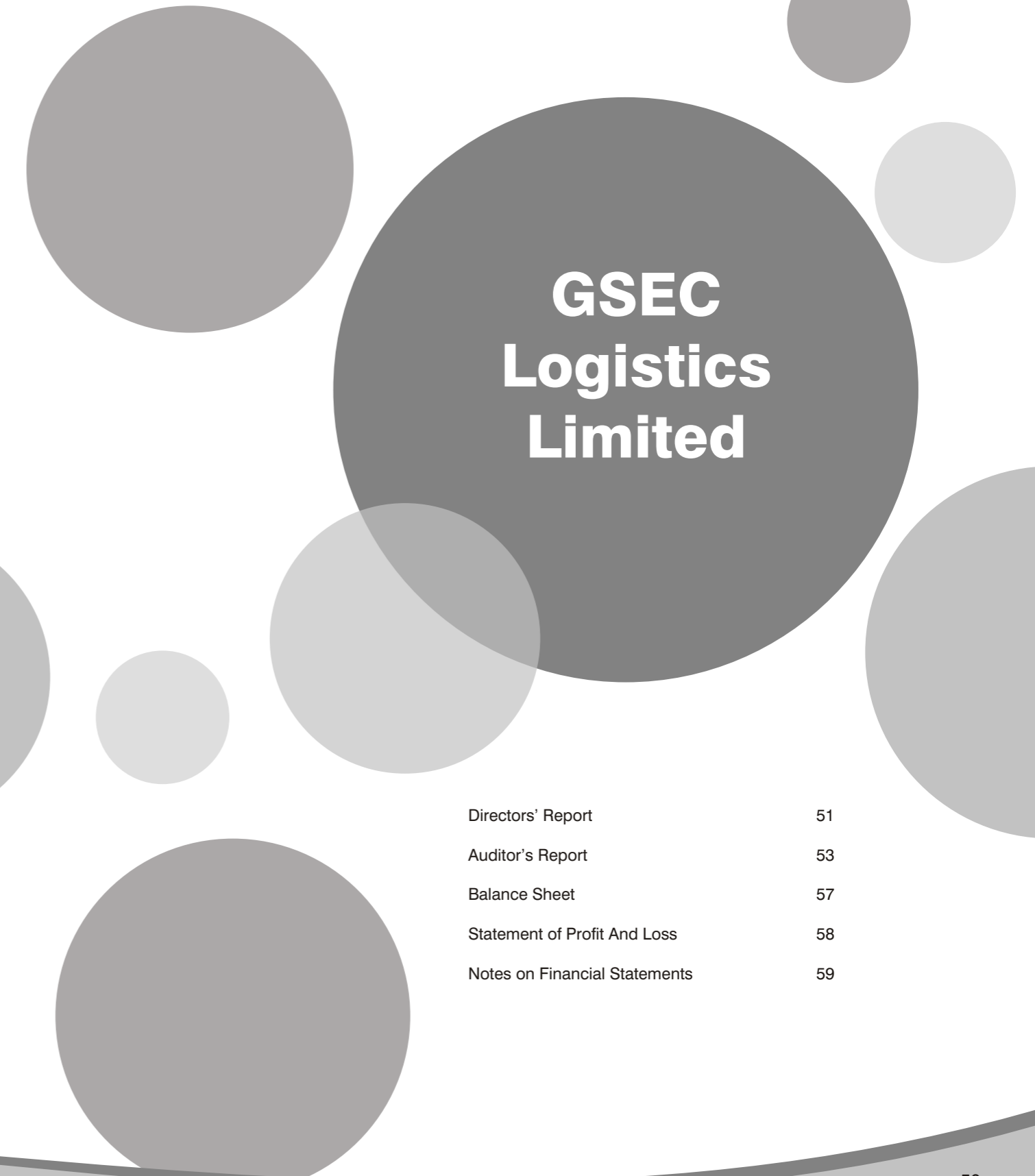
FOR & ON BEHALF OF BOARD OF DIRECTORS

RAKESH R. SHAH
Chairman & Managing Director.

SAMIR H. MANKAD
Whole Time Director

VIRAL B. MEHTA
Company Secretary

Date : 20.07.2013
Place : Ahmedabad



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DIRECTORS' REPORT

To,
The Members,

Your Directors present herewith the **7th Annual Report** together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS:

During the fiscal year, your Company has earned other income amounting to ₹ 1556.01 Lacs (Previous Year ₹ 87,500/-) and incurred total expenses of ₹ 1528.52 Lacs (Previous Year ₹ 5.66 Lacs). Net Profit of the Company during the year has been recorded at ₹ 18.98 Lacs (Previous Year: Loss of ₹ 4.79 Lacs).

DIVIDEND:

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

DEPOSITS:

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

DIRECTORS:

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

EMPLOYEE:

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

AUDITORS:

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



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

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

ACKNOWLEDGMENT:

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

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

Date: 19th July, 2013

Place: Ahmedabad

Rakesh R. Shah
Director

Samir H. Mankad
Director



INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Logistics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of GSEC Logistics Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

(e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act 1956.

For and on Behalf of,
BJS & Associates
Chartered Accountants
FRN:113268W

Date : 19.07.2013
Place : Ahmedabad

Bipin J. Shah
(Partner)
Membership No.10712



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

To,
The Members,
GSEC Logistics Limited,

(Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March, 2013 of GSEC Logistics Limited, Ahmedabad.)

I. In respect of its Fixed Assets:

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

II. In respect of its Inventories:

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

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

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

Particulars	No of parties	Amount ₹ in Lacs
Opening balance	1	375.38
Taken during the year	1	5.95
Repaid during the year	0	0.00
Closing Balance	1	381.33

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

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

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

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

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

In view of the above, clause of this order is not applicable for the current year.

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

VII. This being not a listed Company and the turnover in the preceding financial year has not exceeded ₹ 5 Crore, the internal audit System is not obligatory.

VIII. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company.

IX. Statutory and other dues:

According to information and explanation given to us in respect of statutory and other dues, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Investors' Education and Protection Fund and other statutory dues with appropriate authorities during the year.

X. The company has accumulated losses at the end of previous financial year but it has earned Cash Profit in Current financial year covered by the audit.

XI. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to banks.

XII. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence, we have no comments to offer in respect of Clause 4(xii) of the Companies (Auditor's Report) Order, 2003.

XIII. In our opinion the Company is not a Chit Fund or Nidhi mutual benefit fund/ Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report), 2003 are not applicable to the company.

XIV. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the company in its own name.

XV. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions and hence we have no comments to offer in respect of clause 4(xv) of the Companies (Auditor's Report) Order, 2003.

XVI. The Company has not taken any term loans during the year.

XVII. On the basis of our examination of the Balance Sheet of the company and according to the information and explanations given to us, the company has not used the funds borrowed on short term basis for long term investment and vice versa.

XVIII. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, we have no comments to give on clauses 4 of (xviii) of the Companies (Auditor's Report) Order, 2003.

XIX. The Company has not issued any debenture during the year.

XX. The Company has not raised money by public issue.

XXI. To the best of our knowledge and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For, BJS & Associates
Chartered Accountants
FRN:113268W

Date : 19.07.2013
Place : Ahmedabad

Bipin J. Shah
(Partner)
Membership No. 10712

Balance Sheet as at 31st March, 2013

Amount ₹ in Thousands

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	500.00	500.00
(b) Reserves and Surplus	2	999.17	(899.20)
(c) Money Received against Share Warrants		-	-
2 Share Application Money pending allotment			-
3 Non-current Liabilities			
(a) Long-term Borrowings		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-term Liabilities		-	-
(d) Long-term Provisions		-	-
4 Current liabilities			
(a) Short-term Borrowings	3	38,133.38	37,538.12
(b) Trade Payables		-	-
(c) Other Current Liabilities	4	15,028.64	-
(d) Short-term Provisions		-	-
TOTAL		54,661.19	37,138.92
II. ASSETS			
Non-current assets			
1 (a) Fixed Assets			
(i) Tangible Assets	5	35,327.58	34,972.54
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets under Development		-	-
(b) Non-current Investments		-	-
(c) Deferred Tax Assets (net)		-	-
(d) Long-term Loans and Advances	6	8,996.16	1,936.00
(e) Other non-current Assets		-	-
2 Current assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash and Cash Equivalents	7	9,909.95	142.88
(e) Short-term Loans and Advances		-	-
(f) Other Current Assets	8	457.50	87.50
TOTAL		54,661.19	37,138.92
Significant Accounting Policies & Notes on Financial Statements	13		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

BIPIN J. SHAH
Partner
Membership No. 10712

Date : 19.07.2013
Place : Ahmedabad

FOR & ON BEHALF OF BOARD OF DIRECTORS

RAKESH R. SHAH
Director.

SAMIR H. MANKAD
Director

Date : 19.07.2013
Place : Ahmedabad

Statement of Profit and Loss for the year ended 31st March, 2013

Amount ₹ in Thousands

Particulars	Note No.	2012-13	2011-12
I. Revenue From Operations		-	-
II. Other Income	9	155,600.89	87.50
III. Total Revenue (I + II)		155,600.89	87.50
IV. Expenses:			
Finance Costs	10	152,763.13	3.25
Depreciation and Amortization Expense		12.54	1.16
Other Expenses	11	76.85	562.21
Total Expenses		152,852.52	566.62
V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)		2,748.37	(479.12)
VI. Exceptional Items		-	-
VII. Profit before Extraordinary Items and Tax (V - VI)		2,748.37	(479.12)
VIII. Extraordinary Items		-	-
IX. Profit before Tax (VII- VIII)		2,748.37	(479.12)
X Tax expense:			
(1) Current Tax		850.00	-
(2) Deferred Tax		-	-
XI Profit (Loss) for the period from continuing operations (IX-X)		1,898.37	(479.12)
XII Profit/(Loss) from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
XIV Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)		-	-
XV Profit (Loss) for the Period (XI + XIV)		1,898.37	(479.12)
XVI Earnings per Equity Share (In ₹) :			
Basic & Diluted		37.97	(9.58)

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

BIPIN J. SHAH
Partner
Membership No. 10712

Date : 19.07.2013
Place : Ahmedabad

FOR & ON BEHALF OF BOARD OF DIRECTORS

RAKESH R. SHAH
Director.

SAMIR H. MANKAD
Director

Date : 19.07.2013
Place : Ahmedabad

Notes on Financial Statements for the year ended 31st March, 2013

1. Share Capital

Amount ₹ in Thousands

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10 each	50,000.00	500.00	50,000.00	500.00
Issued				
Equity Shares of ₹10 each	50,000.00	500.00	50,000.00	500.00
Subscribed & fully Paid up				
Equity Shares of ₹10 each	50,000.00	500.00	50,000.00	500.00
Subscribed but not fully Paid up				
Equity Shares of ₹ 10 each, not fully paid up	-	-	-	-
Total	50,000.00	500.00	50,000.00	500.00

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

Amount ₹ in Thousands

Particulars	Equity Shares			
	As at 31st March, 2013		As at 31st March, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	50,000	500.00	50,000	500.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	50,000	500.00	50,000	500.00

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

Particulars	Nature of Relationship	As at 31st March, 2013	As at 31st March, 2012
Equity Shares GSEC Ltd	Holding Co.	49,994	49,994

1.4 Details of Shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
GSEC Ltd	49,994	99.99	49,994	99.99

2. Reserves & Surplus

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Profit & Loss A/C (Surplus)		
Opening balance	(899.20)	(420.08)
(+) Net Profit/(Net Loss) For the current year	1,898.37	(479.12)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	999.17	(899.20)
Total	999.17	(899.20)

3. Short Term Borrowings

(Unsecured and Considered Good)

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Loans repayable on demand	-	-
Loans and Advances from related parties	38,133.38	37,538.12
Total	38,133.38	37,538.12

4. Other Current Liabilities

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
(I) Other payables (specify nature)		
a) Statutory Dues Payables	15,028.64	-
Total	15,028.64	-

5. Fixed Assets

Amount ₹ in Thousands

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at April 1, 2012	Additions/(Disposals)	Deductions/Adjustments	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation charge for the year	On disposals	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
Tangible Assets										
Land	34,924.10	367.58	-	35,291.68	-	-	-	-	35,291.68	34,924.10
Vehicles	49.60	-	-	49.60	1.16	12.54	-	13.70	35.90	48.44
Total	34,973.70	367.58	-	35,341.28	1.16	12.54	-	13.70	35,327.58	34,972.54
Previous Year's Details	32,679.61	2,294.09	-	34,973.70	-	1.16	-	1.16	34,972.54	32,679.61

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

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Capital Advances	1,916.00	1,916.00
Deposits	-	-
Loans and advances to Related Parties	-	-
Advance Income tax (Net of Provision)	7,050.16	-
Other Loans & Advances	-	-
Total	8,966.16	1,936.00

7. Cash and Cash equivalents

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Balances with Banks	9,908.71	141.52
Cheques, Drafts on hand	-	-
Cash on hand*	1.24	1.36
Others	-	-
Total	9,909.95	142.88

8. Other Current Assets

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Due from Related Parties	357.50	87.50
Advance given to Shilp Shree	100.00	-
Total	457.50	87.50

9. Other Income

Amount ₹ in Thousands

Particulars	2012-13	2011-12
Interest Income	155,300.89	-
Dividend Income	-	-
Net Gain/Loss on Sale of Investments	-	-
Other Non-operating Income	-	-
Rent Income	300.00	87.50
Total	155,600.89	87.50

10. Finance Costs

Amount ₹ in Thousands

Particulars	2012-13	2011-12
Interest Expenses	152,761.47	-
Bank Charges	1.65	3.25
Other Borrowing Costs	-	-
Applicable Net Gain/Loss on Foreign Currency Transactions and Translation	-	-
Total	152,763.13	3.25

11. Other Expenses

Amount ₹ in Thousands

Particulars	2012-13	2011-12
Professional Charges	-	45.00
Audit Fees	5.62	5.52
Filing Fees	1.02	1.61
Guest House Expenses	-	13.86
Land Development Expenses	-	3.60
Office Expenses	-	3.93
Preliminary Expenses written-off	-	35.14
Project Expenses	-	346.75
Rent Expenses	70.00	20.00
Security Charges	-	71.70
Transport Expenses	-	14.50
Service Tax Expenses	-	-
Others	0.21	0.60
Total	76.85	562.21

12. Payment to Auditor

Amount ₹ in Thousands

Particulars	2012-13	2011-12
a. Towards Audit Fees	5.62	5.52
b. For Taxation Matters	-	-
c. For Company Law Matters	-	-
d. For Management Services	-	-
e. For Other Services	-	-
f. For Reimbursement of Expenses	-	-
Total	5.62	5.52

13. NOTES FORMING PART OF ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES:

i. Basis for preparations of financial statements:

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

ii. Taxes on income:

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

iii. Related Party Disclosure:

As per Accounting Standard 18(AS-18) Related Party disclosure issued by ICAI, the disclosure of transactions with Related Parties as defined in AS-18 are given below:

A. List of Related Parties & Relationship

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

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

Nature Of Transaction	Amount ₹ in Thousands			
	Holding Co.	Subsidiary Co.	Associate	Key Mgmt. Personnel
Unsecured Loan	38133.38	-	-	-

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

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

BIPIN J. SHAH
Partner
Membership No. 10712

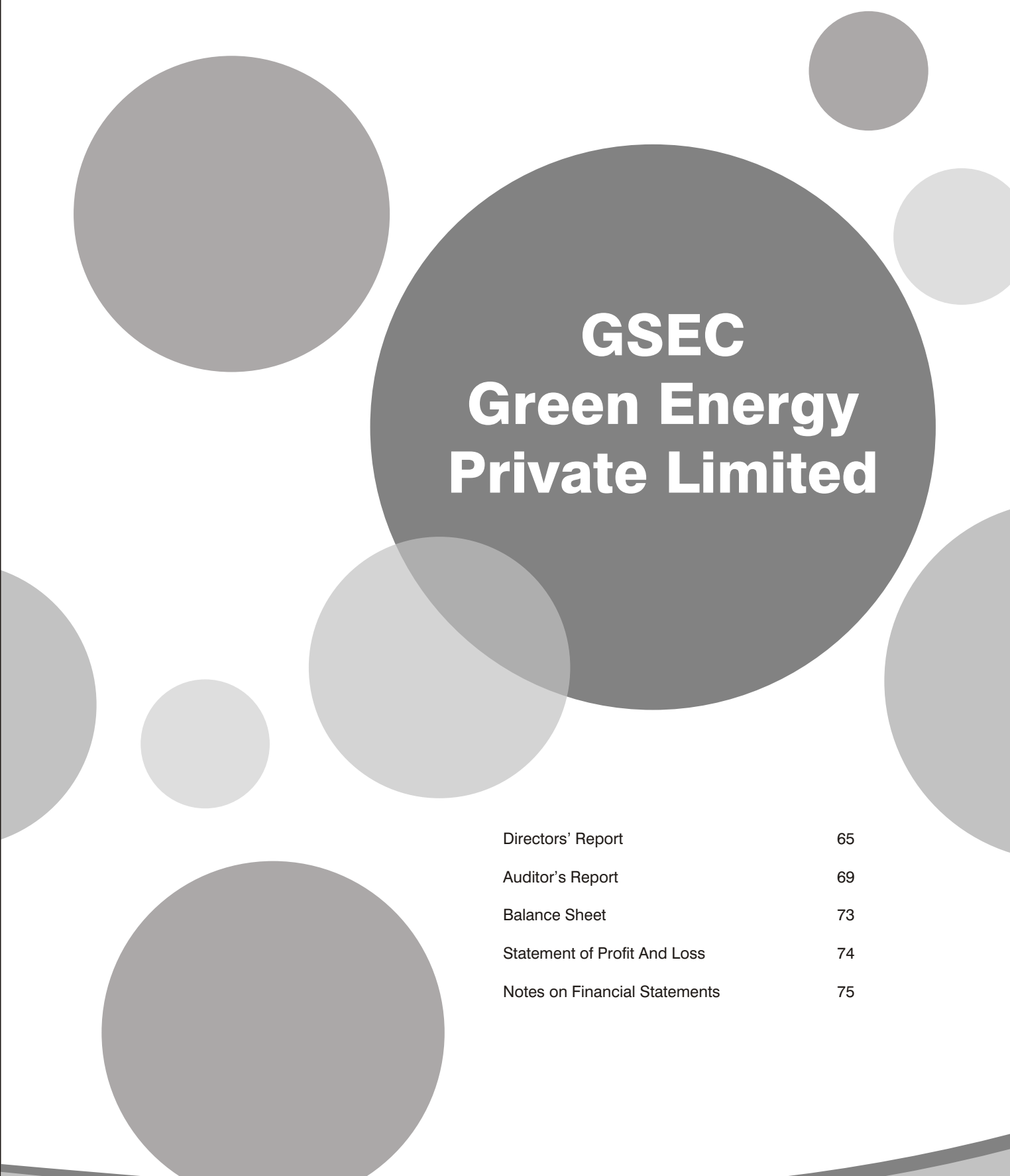
Date : 19.07.2013
Place : Ahmedabad

FOR & ON BEHALF OF BOARD OF DIRECTORS

RAKESH R. SHAH
Director.

SAMIR H. MANKAD
Director

Date : 19.07.2013
Place : Ahmedabad



GSEC
Green Energy
Private Limited

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DIRECTORS' REPORT

To,
The Members,

Your Directors present herewith Annual Report together with the Audited Statement of Accounts for the period ended 31st March, 2013.

Financial Results:

Particulars	Amount ₹ in Thousands	
	2012-13	2011-12
Revenue from operations and other Income	19899.95	377.76
Profit before financial charges, Depreciation and taxation	(9352.36)	(1519.69)
Less: Financial charges	(462.42)	(21.13)
Less: Depreciation and amortization expenses	(2190.42)	(NIL)
Profit (Loss) before exceptional and prior period items and tax	(12005.20)	(1540.82)
Less: Exceptional items	(NIL)	(NIL)
Less: Prior period items	(NIL)	(NIL)
Profit before tax	(12005.20)	(1540.82)
Less: Current Tax	(NIL)	(NIL)
Less: Deferred Tax Liability	(NIL)	(NIL)
Less: Provision for tax of earlier years	(NIL)	(NIL)
Profit after taxation	(12005.20)	(1540.82)

DIVIDEND:

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

DEPOSITS:

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

DIRECTORS:

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- (1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (2) Appropriate accounting policies have been selected and applied them consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial period and of the loss of the Company for that period;

(3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;

(4) The accounts have been prepared on going concern basis.

EMPLOYEES:

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

AUDITORS:

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

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

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

ACKNOWLEDGEMENT:

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

On behalf of the Board
For GSEC Green Energy Private Limited

Date : 19.07.2013
Place : Ahmedabad

Rakesh R. Shah
Director

Shaishav R. Shah
Director

Annexure - I
Annexure to the Director's Report

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ending 31st March, 2013.

A) Conservation of energy:

a) Energy conservation measures taken:

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

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

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

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

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

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

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

B) Technology Absorption:

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

C) Foreign Exchange Earnings and Outgo:

Particulars	Current year (2012-13)	Previous year (2011-12)
Earnings	NIL	NIL
Out go	NIL	NIL

FORM - B
Form for disclosure of particulars with respect to absorption

1) Research and Development (R & D):

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

The Company has not carried out R & D in any specific area

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

c) Future plan of action.

The Company has nothing to report under this clause

d) Details of R & D Expenditure

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

2) Technology Absorption, Adaption and Innovation.

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

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

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

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

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

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

On behalf of the Board,
For GSEC Green Energy Private Limited,

Date: 19.07.2013
Place: Ahmedabad

Rakesh R. Shah
Director

Shaishav R. Shah
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Green Energy Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of GSEC Green Energy Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act 1956, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

For and on Behalf of,
BJS & Associates
Chartered Accountants
FRN:113268W

Date : 19.07.2013
Place : Ahmedabad

Bipin J. Shah
Partner
Membership No.10712

ANNEXURE TO THE AUDITOR'S REPORT

To,
The Members,
GSEC Green Energy Private Limited,

(Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March 2013 of GSEC Green Energy Private Limited, Ahmedabad.)

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

Particulars	No of parties	Amount ₹ in Lacs
Opening balance	1	164.25
Taken during the year	1	371.26
Repaid during the year	1	45.22
Closing Balance	1	490.29

- The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and sale of goods and services except that the internal control for trading activities is required to be strengthened. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control.
- V. In our opinion and according to the information and explanations given to us and based on the representation by the management, transaction that needs to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
In view of the above, clause of this order is not applicable for the current year.
- VI. The company has not accepted any deposit from the public.

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

For, BJS & Associates
Chartered Accountants
FRN:113268W

Date : 19.07.2013
Place : Ahmedabad

Bipin J. Shah
Partner
Membership No.10712

Balance Sheet as at 31st March, 2013

Particulars	Note No.	Amount ₹ in Thousands	
		As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	100.00	100.00
(b) Reserves and Surplus	2	(13,546.02)	(1,540.82)
(c) Money received against Share Warrants		-	-
2 Share Application Money Pending Allotment		-	-
3 Non-current Liabilities			
(a) Long-term Borrowings	3	1,433.91	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-term Liabilities	4	87.50	-
(d) Long-term Provisions		-	-
4 Current Liabilities			
(a) Short-term Borrowings	5	60,982.05	29,337.96
(b) Trade Payables	6	2,042.84	1,750.64
(c) Other Current Liabilities	7	7,115.29	2,416.92
(d) Short-term Provisions		-	-
TOTAL		58,215.56	32,064.70
II. ASSETS			
Non-current Assets			
1 (a) Fixed assets			
(i) Tangible Assets	8	32,226.30	-
(ii) Intangible Assets		-	-
(iii) Capital Work-in-progress		-	16,231.85
(iv) Intangible Assets under Development		-	-
(b) Non-current Investments	9	15.00	15.00
(c) Deferred Tax Assets (Net)		-	-
(d) Long-term Loans and Advances	10	849.30	25.00
(e) Other Non-current Assets		-	-
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories	11	4,341.00	-
(c) Trade Receivables	12	12,989.73	-
(d) Cash and Cash Equivalents	13	6,017.42	2,228.85
(e) Short-term Loans and Advances	14	1,611.73	1.26
(f) Other Current Assets	15	165.07	13,562.74
TOTAL		58,215.56	32,064.70
Significant Accounting Policies & Notes on Financial Statements	24		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

BIPIN J. SHAH
Partner
Membership No. 10712

DATE : 19.07.2013
PLACE : AHMEDABAD

FOR & ON BEHALF OF BOARD OF DIRECTORS

RAKESH R. SHAH
Director

SHAISHAV R. SHAH
Director

DATE : 19.07.2013
PLACE : AHMEDABAD

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No.	Amount ₹ in Thousands	
		As at 31st March, 2013	As at 31st March, 2012
I. Revenue From Operations			
Sale of Products	16	20,329.29	-
Sale of Services		-	-
Other Operating Revenues		-	-
Less:			
Excise Duty		642.78	-
		19,686.51	-
II. Other Income	17	213.44	377.76
III. Total Revenue		19,899.95	377.76
IV. Expenses:			
Cost of Materials Consumed	18	20,399.41	-
Purchases of Stock-in-Trade		-	-
Purchases of Services		-	-
Changes in Inventories of Finished Goods work-in-progress and Stock-in-Trade	19	(4,341.00)	-
Employee Benefits Expense	20	2,677.95	156.96
Finance Costs	21	462.42	21.13
Depreciation and Amortization Expense		2,190.42	-
Other Expenses	22	10,515.94	1,740.49
Total expenses		31,905.15	1,918.58
V. Profit before Exceptional and Extraordinary Items and Tax		(12,005.20)	(1,540.82)
VI. Exceptional items		-	-
VII. Profit before Extraordinary Items and Tax		(12,005.20)	(1,540.82)
VIII. Extraordinary Items		-	-
IX. Profit before tax		(12,005.20)	(1,540.82)
X Tax expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI Profit (Loss) for the period from Continuing Operations		(12,005.20)	(1,540.82)
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(Loss) from Discontinuing operations (after tax)		-	-
XV Profit (Loss) for the period		(12,005.20)	(1,540.82)
XVI Earnings per Equity Share (In ₹) :			
Basic & Diluted		(1200.52)	(154.08)

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

BIPIN J. SHAH
Partner
Membership No. 10712

DATE : 19.07.2013
PLACE : AHMEDABAD

FOR & ON BEHALF OF BOARD OF DIRECTORS

RAKESH R. SHAH
Director

SHAISHAV R. SHAH
Director

DATE : 19.07.2013
PLACE : AHMEDABAD

Notes on Financial Statement for the year ended 31st March, 2013

1. Share Capital

Amount ₹ in Thousands

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10 each	10,000	100.00	10,000	100.00
Issued				
Equity Shares of ₹ 10 each	10,000	100.00	10,000	100.00
Subscribed & fully Paid up				
Equity Shares of ₹ 10 each	10,000	100.00	10,000	100.00
Total	10,000	100.00	10,000	100.00

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

Amount ₹ in Thousands

Particulars	Equity Shares			
	As at 31st March, 2013		As at 31st March, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,000	100.00	-	-
Shares Issued during the year	-	-	10,000	100.00
Shares bought back during the year	-	-	-	-
Any other movement	-	-	-	-
Shares outstanding at the end of the year	10,000	100.00	10,000	100

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

Particulars	Nature of Relationship	As at 31st March, 2013	As at 31st March, 2012
Equity Shares GSEC Limited	Holding Company	9,990	9,990

1.4 Details of Shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
GSEC Limited	9,990	99.90	9,990	99.90

2. Reserves & Surplus

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Profit & Loss A/c (Surplus)		
Opening balance	(1,540.82)	-
(+) Net Profit/(Net Loss) For the current year	(12,005.20)	(1,540.82)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(13,546.02)	(1,540.82)
Total	(13,546.02)	(1,540.82)

3. Long-term Borrowings

Amount ₹ in Thousands

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Secured Loans				
Term loans				
Rupee Loan				
-From Banks	1,433.91	-	3,600.00	-
-From Others	-	-	-	-
	1,433.91	-	3,600.00	-
Amount disclosed under the head *Other Current Liabilities (Note - 7)			3,600.00	-
Total	1,433.91	-	3,600.00	-

4. Other Long Term Liabilities

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Trade Payable	87.50	-
Total	87.50	-

5. Short Term Borrowings

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
a) Secured Loans		
Working capital facilities from Bank of Maharashtra	-	-
b) Unsecured Loans		
(I) Loans and Advances from Related parties		
GSEC Limited	49,028.72	16,424.64
Shaishav R Shah	3,666.66	3,666.66
	52,695.38	20,091.29
(ii) Loans repayable on demand	8,286.67	9,246.67
	60,982.05	29,337.96
Total	60,982.05	29,337.96

6. Trade Payables

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Trade Payables	516.65	1,750.64
Unearned Income		
Others	1,526.19	-
(Creditors for Expenses)		
Total	2,042.84	1,750.64

7. Other Current Liabilities

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
(a) Current maturities of long-term debt	3,600.00	-
(b) Creditors for Capital Expenditure	2,161.15	-
(c) Other payables (specify nature)		
1) Statutory Dues Payables	201.20	11.85
2) Trade/Security Deposit	321.17	-
3) Advance from Customers	343.82	2,405.08
4) Other Liabilities	487.95	-
TOTAL	7,115.29	2,416.92

8. Fixed Assets

Amount ₹ in Thousands

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at April 1, 2012	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation charge for the year	On disposals	Balance as at March 31, 2013	Balance as at 1st April, 2013	Balance as at 31st, March 2012
a. Tangible Assets										
Factory Building	-	16,126.37	179.37	15,947.00	-	447.84	-	447.84	15,499.16	-
Plant and Equipment	-	15,977.90	1,440.23	14,537.67	-	1,407.92	-	1,407.92	13,129.74	-
Office equipment	-	3,480.50	5.59	3,474.91	-	269.15	-	269.15	3,205.76	-
Furniture & Fixture	-	457.15	-	457.15	-	65.25	-	65.25	391.63	-
Total (I)	-	36,041.92	1,625.19	34,416.73	-	2,190.42	-	2,190.42	32,226.30	-
b. Capital Work In Progress										
Building under construction	2,852.51	3,139.29	5,991.80	-	-	-	-	-	-	2,852.51
Unallocated Expenses	651.24	-	651.24	-	-	-	-	-	-	651.24
Plant & Equipments	12,611.13	793.23	13,394.36	-	-	-	-	-	-	12,611.13
Office equipments	116.97	281.02	397.99	-	-	-	-	-	-	116.97
Furniture & Fixture	-	457.15	457.15	-	-	-	-	-	-	-
Total (ii)	16,231.85	4,660.69	20,892.54	-	-	-	-	-	-	3,503.75
Total (i+ii)	16,231.85	40,702.61	22,517.73	34,416.73	-	2,190.42	-	2,190.42	32,226.30	3,503.75
Previous Year's Details	-	16,231.85	-	-	16,231.85	-	-	-	-	16,231.85

9. Non-Current Investments

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Other Investments		
Investments in Government Securities-Unquoted National Savings Certificate (Includes Deposited with Sales tax department)	15.00	15.00
Total	15.00	15.00

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

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Deposit with Others	849.30	25.00
Total	849.30	25.00

11. Inventories

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Carbon Black	1,400.00	-
Steel Scrape	354.27	-
Scrap Tyres	2,371.50	-
Tyre Oil	194.58	-
Wood	20.65	-
Total	4,341.00	-

12. Trade Receivables

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Unsecured- Considered good		
Outstanding for period exceeding six months	12,100.00	-
Other Receivables	889.73	-
	12,989.73	-
Unsecured, considered doubtful		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
	-	-
Less: Provision for doubtful debts	-	-
Total	12,989.73	-

13. Cash and Cash Equivalents

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Balance with Banks	4,744.29	1,058.81
Cheques, Drafts on hand	-	-
Cash on Hand	66.13	10.04
Margin Money Deposit	1,207.01	1,160.00
Total	6,017.42	2,228.84

14. Short-term Loans and Advances

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Loans & Advances to Related Parties	-	-
Advance Income Tax (Net of Provision)	15.39	1.26
Deposits	-	-
Balances with Statutory/Government Authorised (Unsecured, considered good)		
CENVAT Credit Receivable	1,088.64	-
Input Credit of VAT Receivable	385.49	-
Prepaid Expense	54.18	-
Other Loans and Advances (Unsecured, including advance to Suppliers)		
Unsecured , Considered Good	58.18	-
Doubtful	-	-
Provision for Doubtful Advances	-	-
Loans to Employee(s)	9.86	-
Total	1,611.73	1.26

15. Other Current Assets

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Interest Accrued on FDR	14.06	11.33
Advance for Expenses	-	20.83
Other Receivables	148.38	13530.58
Interest Accrued on VAT Deposit	2.63	-
Total	165.07	13562.74

16. Revenue From Operations

Amount ₹ in Thousands

Particulars	2012-13	2011-12
	Amount	Amount
Sale of Products;	20,329.29	-
Sale of Services;	-	-
Less:		
Excise Duty.	642.78	-
Total	19,686.51	-
Total Operating Revenue	19,686.51	-

17. Other Income

Amount ₹ in Thousands

Particulars	2012-13	2011-12
	Amount	Amount
Interest Income	117.91	12.59
Profit on Sale of Uninstalled Machinery	-	365.17
Misc Dr/Cr Balance Written Back	95.53	-
Total	213.44	377.76

18. Cost of Material Consumed

Amount ₹ in Thousands

Particulars	2012-13	2011-12
	Amount	Amount
Inventory at the Beginning of the year	-	-
Add: Purchases	20,399.41	-
Add: Custom Duty & Freight	-	-
	20,399.41	-
Less: Inventory at the end of the year	-	-
Less: Abnormal Losses during the year	-	-
	-	-
Cost of raw material consumed	20,399.41	-
	-	-
Packing Material (If considered as part of Raw Material)	-	-
Other materials (Purchased Intermediates and Components)	-	-
Total	20,399.41	-

19. Change in Inventories of Finished Goods

Amount ₹ in Thousands

Particulars	2012-13	2011-12
	Amount	Amount
Inventories (At closing)		
Work in Progress	-	-
Finished Goods	4,341.00	-
	4,341.00	-
Inventories (At Commencement)		
Work in Progress	-	-
Finished Goods	-	-
	-	-
Decrease / (Increase)	(4,341.00)	-

20. Employee Benefits Expense

Amount ₹ in Thousands

Particulars	2012-13	2011-12
	Amount	Amount
(a) Salaries and Incentives	2,586.53	136.00
(b) Contributions to -	-	-
(i) Provident and other fund		
(ii) Superannuation Scheme	68.61	-
(c) Staff Welfare Expenses	22.81	20.96
Total	2,677.95	156.96

21. Finance Costs

Amount ₹ in Thousands

Particulars	2012-13	2011-12
	Amount	Amount
Interest Expense	33.91	1.83
Bank Charges	407.19	19.30
Other Borrowing Costs	21.32	-
Applicable Net Gain/Loss on Foreign Currency Transactions and Translation	-	-
Total	462.42	21.13

22. Other Expenses

Amount ₹ in Thousands

Particulars	2012-13	2011-12
	Amount	Amount
Audit Fees	39.33	22.47
Accommodation Expense	5.07	16.28
Filling Fees	0.50	0.80
Guest house expense	218.45	15.00
Internet expense	52.09	3.34
Foreign Travelling Expense	44.24	773.16
Consultancy charges	55.00	4.50
Labour Charges	-	5.53
Lease Rent for Land at Bangrod	300.00	87.50
Professional Charges	245.85	175.98
Penalty	-	115.51
Office Expense	85.81	30.28
Professional Tax	-	2.00
Godown Rent Expense	7.00	11.00
Stationary & printing Expense	19.46	16.00
Security Charges	291.94	45.00
Motor Car Expense	135.19	7.16
Rent expense	57.00	6.00
Telephone Expense	24.29	120.11
Travelling Expense	665.76	231.59
Transport Expense	2723.59	45.00
Stamp Charges	108.44	1.71
Other Expenses	175.71	4.55
Registration Fees Expenditure	196.03	-
Misc. Store Items	1387.29	-
Diesel Expenses	1358.67	-
Insurance	124.99	-
Electricity Expense	783.84	-
Freight Expense	20.62	-
Packing Material Exp.	130.53	-
Plant And Garbage Removal A/c	310.44	-
Plantation Exp A/c	434.56	-
Loading / Unloading Charges	345.61	-
Site Expense	84.91	-
Water Charges	83.73	-
Total	10,515.94	1,740.48

23. Payment to Auditor

Amount ₹ in Thousands

Particulars	2012-13	2011-12
	Amount	Amount
a. Towards Audit Fees	28.09	22.47
b. For Taxation Matters	11.24	-
c. For Company Law Matters	-	-
d. For Management Services	-	-
e. For Other Services	-	-
f. For Reimbursement of Expenses	-	-
Total	39.33	22.47

24. Notes Forming Part of Accounts & Significant Accounting Policies:

i. Basis for preparations of financial statements:

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

ii. Sales:

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

iii. Related Party Disclosure:

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

A. List of Related Parties & Relationship

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

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

Amount ₹ in Thousands

Nature Of Transaction	Holding Co.	Subsidiary Co.	Associate	Key Mgmt Personnel
Unsecured Loan	49,028.72			3,666.66

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

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR & ON BEHALF OF BOARD OF DIRECTORS

FOR BJS & ASSOCIATES

Chartered Accountants
Firm Registration No. 113268W

RAKESH R. SHAH

Director.

BIPIN J. SHAH

Partner
Membership No. 10712

SHAISHAV R. SHAH

Director

Date : 19.07.2013
Place : Ahmedabad

Date : 19.07.2013
Place : Ahmedabad



Komoline Aerospace Limited

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DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Annual Report together with the audited Statement of Accounts for the year ended 31st March, 2013.

1. Financial Results:

Particulars	Amount ₹ in Thousands	
	2012-13	2011-12
Revenue from Operations and Other Income	42600.47	56983.50
Profit before Financial Charges, Depreciation and Taxation	5718.79	8802.63
Less: Financial Charges	(2458.45)	(2338.90)
Less: Depreciation and Amortization Expenses	(2745.08)	(3326.54)
Profit before Exceptional and Prior period Items and Tax	515.25	3137.19
Less: Exceptional Items	(NIL)	(NIL)
Less: Prior period Items	(NIL)	(NIL)
Profit before Tax	515.25	3137.19
Less: Current Tax	(31.36)	(1025.00)
Less: Deferred Tax Liability	(478.70)	(137.81)
Less: Provision for tax of earlier years	(NIL)	(NIL)
Profit after Taxation	5.20	1974.38
Amount available for Appropriation	5.20	1974.38
Transfer to General Reserve	(NIL)	(NIL)
Proposed Dividend and Dividend Tax	(NIL)	(NIL)
Balance carried to Balance Sheet	5.20	1974.38

DIVIDEND:

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

DEPOSITS:

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

DIRECTORS:

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

CHANGE IN STATUS OF THE COMPANY:

During the year under review, status of the Company has been converted into Limited Company and Fresh Certificate of Incorporation was received consequent to conversion from the Registrar of Companies, Gujarat on 6th August, 2012.

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;



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

EMPLOYEES:

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

SECRETARIAL COMPLIANCE CERTIFICATE:

As required by the Company (Amendment) Act, 2000 and relevant rules made there under "Secretarial Compliance Certificate" under Section 383A of the Companies Act, 1956, is attached herewith.

AUDITORS:

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

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

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

ACKNOWLEDGMENT:

Your Directors would like to take this opportunity to express sincere thanks and gratitude to shareholders and Bankers for their continued support and assistance to the Company.

By order of the Board,
For Komoline Aerospace Limited,

Date: 19th July, 2013
Place: Ahmedabad

Rakesh R. Shah
Director

Sanjay B. Attara
Director

ANNEXURE - I

Annexure to the Director's Report

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ending 31st March, 2013.

(A) CONSERVATION OF ENERGY:

- a) Energy conservation measures are taken

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

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

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

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

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

- d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure Furnishing of these particulars is not applicable to this Company, as it is not carrying on any business which is listed in the Schedule to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(B) TECHNOLOGY ABSORPTION:

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earnings equivalent to NIL (Previous Year ₹ 70 thousands)

Out go of foreign exchange equivalent to ₹ 2286.11 thousands (Previous Year ₹ 3491.04 thousands)

**By order of the Board,
For Komoline Aerospace Limited,**

Rakesh R. Shah **Sanjay B. Attara**
Director **Director**

Date: 19th July, 2013
Place: Ahmedabad



FORM - B

Form for disclosure of particulars with respect to absorption

1) RESEARCH AND DEVELOPMENT (R & D):

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

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

- b) Benefits derived as a result of the above R & D: It has helped the Company reserving the market share to a great extent.

- c) Future plan of action. The Company is contemplating and concentrating on mass production of the technological products designed and developed by the Company.

- d) Details of R & D Expenditure

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

2) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION.

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

- [i] Transfer of Technology Taken From ISRO:

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

- [ii] Transfer Of Technology From NIOT (Under Process)

- 1) Drifter Buoy Systems

- [iii] Self Funded Technology Development

- 1) GPS Radio Sonde

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

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

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

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

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

**By order of the Board,
For Komoline Aerospace Limited,**

Rakesh R. Shah **Sanjay B. Attara**
Director **Director**

Date: 19th July, 2013
Place: Ahmedabad



SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Members,
KOMOLINE AEROSPACE LIMITED
(Formerly known as "KOMOLINE ELECTRONICS PRIVATE LIMITED")
110-124, Om Tower, Satellite Road, Ahmedabad - 380015

We have examined the registers, records, books and papers of Komoline Aerospace Limited, (the Company) as required to be maintained under the Companies Act, 1956 (the Act), and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31-03-2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Gujarat.
3. During the year under review, the Company has been converted into a Public Limited Company and fresh Certificate of Incorporation consequent to conversion has been issued by the Registrar of Companies, Gujarat on 06-08-2012 and the Company has minimum prescribed paid-up capital and its maximum number of members during the year under review was within the limits as per the law excluding its present and past employees of the Company:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 8 times on (1) 02-05-2012 (2) 04-06-2012 (3) 22-06-2012 (4) 30-06-2012 (5) 21-07-2012 (6) 07-08-2012 (7) 06-12-2012 and (8) 25-03-2013 in respect of which meetings notices were given and the proceedings were properly recorded and signed in Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the year under review.
6. The Annual General Meeting for the financial year ended on 31-03-2012 was held on 10-09-2012 after giving notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. Three Extra Ordinary General Meetings were held on 29-05-2012, 20-06-2012 and 09-07-2012 after giving notices to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under section 295 of the Act during the year under review.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act, in respect of the contracts falling within the purview of section 297 of the Act, during the year under review.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, during the year under review.
12. The Company has not issued any duplicate share certificates during the year under review.
13. During the year under review :
 - (i) there were no allotment/transfer/transmission of securities;
 - (ii) the Company has not deposited any amount in a separate Bank Account as no dividend was declared;
 - (iii) the Company was not required to post warrants to any member of the Company as no dividend was declared;
 - (iv) the Company has not transferred any amounts in unpaid dividend account, application money due for refund, matured deposits, mature debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of 7 years to investor education and Protection Fund as there were no such amounts outstanding;
 - (v) the Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the year under review.



15. The Company's Paid-up Share Capital being less than the prescribed limit of ₹ 5 Crores, it is not required to appoint any Managing Director/Whole-time Director/Manager.
16. The Company has not appointed any sole-selling agents during the year under review.
17. The Company has obtained all necessary approvals from the Registrar of Companies and Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year under review.

Sr. No.	Particulars	Approval From Authority	Date of Approval
1.	For change in the Object Clause.	Registrar of Companies, Gujarat.	18-06-2012
2.	For change in name of the Company.	Registrar of Companies, Gujarat.	27-06-2012
3.	For conversion of Company into Limited Company	Registrar of Companies, Gujarat.	06-08-2012

18. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the year under review.
20. The Company has not bought back any shares during the year under review.
21. As there were no preference shares or debentures issued, there was no redemption of preference shares or debentures during the year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A of the Act, during the year under review.
24. The amount borrowed by the company during the year under review is less than paid-up capital and free reserve of the Company and hence no resolution as per section 293(1)(d) of the Act has been passed.
25. The Company has granted loan to other body corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose and the Company has not made investments, not given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose in this regard.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under review.
27. The Company has altered the provisions of the Memorandum with respect to the objects of the Company during the year under review and complied with the provisions of the Act.
28. The Company has altered the provisions of the Memorandum with respect to name of the Company during the year under review and complied with the provisions of the Act.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under review.
30. The Company has altered its Articles of Association after obtaining approval of members in the Extra Ordinary General Meeting held on 09-07-2012 and the amended Articles of Association have been duly filed with the Registrar of Companies, Gujarat.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year under review, for offences under the Act.
32. The Company has not received any money as security from its employees during the year under review.
33. The Company has not constituted any separate provident fund of employees or any class of employees as envisaged under sections 418 of the Act.

Annexure "A"

List of Registers as maintained by the Company:

1. Register of Transfer under Section 108.
2. Register of Charges under Section 143.
3. Register of Members under Section 150.
4. Copies of Annual Returns under Section 159.



5. Register of Contracts under Section 301.
6. Register of Directors under Section 303.
7. Register of Directors' Shareholding under section 307.
8. Register of Investments / loans etc. under Section 372A.
9. Attendance registers of all the meetings of Board and General Meeting of the Company.
10. Minutes of the General Meetings and Meetings of Board of Directors under section 193(1).

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities for and during the financial year ending 31-03-2013.

SR. NO.	FILED UNDER SECTION NO.	DESCRIPTION	DATE OF FILING	WHETHER FILED WITHIN PRESCRIBED TIME YES/ NO	IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEE PAID YES/NO
1.	17	Special resolution for Alteration of Object clause of Memorandum of Association passed at EGM held on 29-05-2012.	30-05-2012	Yes	N. A.
2.	21	Application for availability of name for change of name.	13-06-2012	Yes	N. A.
3.	17	Special resolution for Change of name of the Company passed at EGM held on 20-06-2012	23-06-2012	Yes	N. A.
4.	21 / 31(1)	For change of name.	23-06-2012	Yes	N. A.
5.	17	Special Resolution for conversion from private to public company passed at EGM held on 09-07-2012.	20-07-2012	Yes	N. A.
6.	44(1)(b)	Statement in lieu of Prospectus as per Schedule IV with the Registrar.	26-07-2012	Yes	N. A.
7.	303(2)	For appointment of Mr. Rakesh Shah and Mr. Shaishav Shah as directors at AGM.	05-10-2012	Yes	N. A.
8.	383A	Secretarial Compliance Certificate for the year 2011-2012.	17-10-2012	No	Yes
9.	159(1)	Annual Return made up to 10-09-2012.	24-11-2012	No	Yes
10.	220	Annual Report for the financial year ended 31-03-2012.	10-01-2013	Yes	N. A.

FOR PARIKH DAVE & ASSOCIATES
COMPANY SECRETARIES

(UDAY G. DAVE)
Partner
C. P. No.: 7158

Date: 19th July, 2013
Place: Ahmedabad



INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Komoline Aerospace Limited,

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Komoline Aerospace Limited ("The Company"), which comprise the Balance Sheet as at 31st March, 2013, 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 Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended \ on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act 1956, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act 1956.
- e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause(g) of Sub-section (1) of Section 274 of the Companies Act, 1956. Out go of foreign exchange equivalent to ₹ 2286.11 thousands (Previous Year ₹ 3491.04 thousands).

For and On Behalf of
For BJS And Associates
Chartered Accountants
Firm Registration No. 113268W

Apurv B. Shah
(Partner)
Membership No.:106016

DATE : 19.07.2013
PLACE : Ahmedabad



GSEC
LIMITED



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

To The Members of
Komoline Aerospace Limited,

(Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March 2013 of Komoline Aerospace Limited, Ahmedabad)

I. In respect of its fixed assets:

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

II. In respect of its inventories:

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

III. In respect of the loans, secured or unsecured granted or taken by the company to/ from companies, firms or other parties covered in the register maintained under section 301 of the companies act 1956:

- (a) According to the information and explanation given to us the details of unsecured loan granted by the Company covered in the register maintained under Section 301 of the companies Act, 1956.

Particulars	No of parties	Amount ₹ in Thousands
Opening balance	-	-
Granted during the year	1	112.14
Repaid during the year	1	5.00
Closing Balance	1	107.14

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

Particulars	No of parties	Amount ₹ in Thousands
Opening balance	1	185.00
Granted during the year	1	151.00
Repaid during the year	1	336.00
Closing Balance	-	-



In our opinion the rate of interest and other terms and conditions on which loans have been taken from or granted to companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.

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

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

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

VI. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (IV) of paragraph 4 of the Order are not applicable to the Company.

VII. The Internal audit system is in our opinion, commensurate with the size and nature of the business of the Company

VIII. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 in respect of the Company.

IX. Statutory and other dues:

According to information and explanation given to us in respect of statutory and other dues, the Company has been generally regular in depositing undisputed statutory dues including Provident fund, Income tax, Service tax, Investors' Education and Protection Fund and other statutory dues with appropriate authorities during the year.

X. The Company has no accumulated losses at the end of financial year and it has not incurred cash losses in the financial year covered by the audit and in the immediately preceding financial year.

XI. Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to banks, financial institutions,

XII. According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence, we have no comments to offer in respect of clause 4(xii) of the Companies (Auditor's Report) Order, 2003.

XIII. In our opinion the Company is not a Chit Fund or Nidhi mutual benefit fund/ Society. Therefore, the provisions of Clauses 4(xiii) of the Companies (Auditor's Report), 2003 are not applicable to the Company.

XIV. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.

XV. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions and hence we have no comments to offer in respect of clause 4(xv) of the Companies (Auditor's Report) Order, 2003.

XVI. The Company has not taken any term loans during the year.

XVII. On the basis of our examination of the Balance Sheet of the Company and according to the information and explanations given to us, the Company has not used the funds borrowed on short term basis for long term investment and vice versa.

XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.



XIX. The Company has not issued any debenture during the year.

XX. The Company has not raised money by public issue during the year.

XXI. To the best of our knowledge and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year.

Date : 19.07.2013
Place : Ahmedabad



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

Apurv B. Shah
(Partner)
Membership No.:106016



Balance Sheet as at 31st March, 2013

Particulars	Note No.	Amount ₹ in Thousands	
		As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	1	18,750.00	18,750.00
(b) Reserves and Surplus	2	13,142.26	13,137.06
(c) Money received against share warrants		-	-
Total (1)		31,892.26	31,887.06
2 Share application money pending allotment		0.00	0.00
		0.00	0.00
3 Non-current liabilities			
(a) Long-term Borrowings		-	-
(b) Deferred tax Liabilities (Net)		632.36	153.66
(c) Other Long term Liabilities		-	-
(d) Long-term Provisions		-	-
Total (2)		632.36	153.66
4 Current liabilities			
(a) Short-term Borrowings	3	17,732.54	49,738.30
(b) Trade Payables		1,020.72	848.89
(c) Other Current Liabilities	4	4,111.96	2,701.65
(d) Short-term Provisions	5	2,710.88	2,957.40
Total (3)		25,576.11	56,246.24
Total (1+2+3)		58,100.72	88,286.96
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
i) Tangible Assets	6	9,691.05	18,832.72
ii) Intangible Assets		-	-
iii) Capital Work-in-progress		-	-
iv) Intangible Assets under development		-	-
(b) Non-current Investments	7	4,476.08	2,946.43
(c) Deferred tax Assets (net)		-	-
(d) Long-term Loans and Advances	8	11,045.28	1,012.79
(e) Other Non-current Assets		-	-
Total (1)		25,212.41	22,791.94
2 Current assets			
(a) Current Investments		-	-
(b) Inventories	9	22,797.44	16,815.91
(c) Trade Receivables	10	5,374.92	2,466.86
(d) Cash and Cash Equivalents	11	1,099.09	45,125.45
(e) Short-term Loans and Advances		-	-
(f) Other Current Assets	12	3,616.86	1,086.80
Total (2)		32,888.31	65,495.01
Total (1+2)		58,100.72	88,286.96
Significant Accounting policies Notes on Financial Statements	20		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

Apurv Shah
Partner
M.No.- 106016

DATE : 19.07.2013
PLACE : AHMEDABAD

FOR & ON BEHALF OF THE BOARD

RAKESH R. SHAH **SANJAY B. ATTARA**
Director Director

DATE : 19.07.2013
PLACE : AHMEDABAD



Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No.	Amount ₹ in Thousands	
		2012-13	2011-12
I. Revenue From Operations	13		
Sale of Products		23,662.53	12,483.33
Sale of Services		15,259.32	43,927.50
Less:			
Excise Duty		3,069.71	766.52
Other operating revenues		110.35	124.11
		35,962.49	55,768.43
II. Other income	14	3,568.27	448.56
		3,568.27	448.56
III. Total Revenue (I + II)		39,530.76	56,216.98
IV. Expenses:			
Cost of Materials Consumed	15	7,393.42	7,498.12
Purchases of Stock-in-Trade			
Changes in inventories of finished goods work-in-progress and Stock-in-Trade [Decrease / (Increase)]	16	(5,354.13)	11,931.81
Employee Benefits Expense	17	16,663.98	14,401.95
Finance Costs	18	2,458.45	2,338.90
Depreciation and Amortization Expense		2,745.08	3,326.54
Other Expenses	19	15,108.70	13,582.47
Total expenses		39,015.51	53,079.79
V. Profit before exceptional and extraordinary items and tax (III-IV)		515.25	3,137.19
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V - VI)		515.25	3,137.19
VIII. Extraordinary Items			
IX. Profit before tax (VII- VIII)		515.25	3,137.19
X Tax expense:			
(1) Current tax		31.36	1,025.00
(2) Deferred tax		478.70	137.81
(3) Prior Period Adjustment			
XI Profit (Loss) for the period		5.20	1,974.38
XII Earnings per equity share:			
(1) Basic		0.03	10.53
(2) Diluted		-	-
Significant Accounting policies Notes on Financial Statements	20		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

Apurv Shah
Partner
M.No.- 106016

DATE : 19.07.2013
PLACE : AHMEDABAD

FOR & ON BEHALF OF THE BOARD

RAKESH R. SHAH **SANJAY B. ATTARA**
Director Director

DATE : 19.07.2013
PLACE : AHMEDABAD



Cash Flow Statement for the year ended 31st March, 2013

Amount ₹ in Thousands

Particulars	31-03-2013		31-03-2012	
	Number	Amount	Number	Amount
Cash Flow From Operating activities				
Net Profit/ (loss) before Extra-ordinary items	-	515.25	-	3,137.19
Adjustments For:				
Depreciation	2,745.08	-	3,326.54	-
Interest paid	2,278.93	-	1,703.43	-
Interest Received on Deposits	(641.03)	-	(232.42)	-
Profit on sale of Fixed Assets	(2,574.73)	-	-	-
Dividends Received	(35.63)	-	(16.50)	-
Income Tax Paid		1,772.63	-	4,781.05
Operating Profit before Working Capital Changes		2,287.88		7,918.24
Adjustments For:				
(Increase)in Trade and other Receivables	(2,908.27)	-	8,227.69	-
Increase in Trade Payables & Other Current Liabilities	171.83	-	(9,934.08)	-
Increase in other current assets	(2,530.06)	-	-	-
Increase in other current liabilities	1,132.44	-	-	-
(Increase) in Inventories	(5,981.53)	(10,115.60)	10,943.07	9,236.68
Net cash Flow from operating Activities		(7,827.72)		17,154.91
Cash Flow From Investing activities				
Decrease in Margin Money	1,660.89	-	1,052.16	-
Purchase of Fixed Assets	(1,028.48)	-	(645.30)	-
Interest Received	641.03	-	232.42	-
Dividend received on investments	35.63	-	16.50	-
Purchase of Investments	(1,529.64)	-	(2,808.93)	-
Sale of Fixed Assets	10,000.00	-	-	-
Capital Expenditure incurred	-	-	-	-
Increase in Fixed Deposit	(162.18)	9,617.25	(409.20)	(2,562.36)
Net cash Flow From investing activities		9,617.25		(2,562.36)
Cash Flow From Financing activities				
Borrowing From Companies		-	-	-
Borrowing From Bank	(13,505.76)	-	31,238.30	-
Loan from Others	-	-	18,500.00	-
Term Loans repaid to Banks & Others	(18,500.00)	-	(5,000.00)	-
Working Capital Borrowing from banks	-	-	(14,293.12)	-
Interest Paid	(2,278.93)	-	(1,703.43)	-
Loans and Advances given	(10,032.49)	(44,317.18)	(765.70)	27,976.06
Net cash Flow From Financing activities		(44,317.18)		27,976.20



Cash Flow Statement for the year ended 31st March, 2013 (Contd.)

Amount ₹ in Thousands

Particulars	31-03-2013		31-03-2012	
	Number	Amount	Number	Amount
Net Increase in cash & cash equivalents. (A-B-C)	-	(42,527.65)	-	42,568.76
cash and cash equivalents at the beginning				
cash on hand	16.79	-	11.14	-
Balance With Schedule Banks	42,614.38	42,631.16	51.26	62.41
Cash and cash equivalents at the End				
cash on hand	45.60	-	16.79	-
Balance With Schedule Banks	57.92	103.51	42,614.38	42,631.16

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR BJS & ASSOCIATES
Chartered Accountants
Firm Registration No. 113268W

Apurv Shah
Partner
M.No.- 106016

DATE : 19.07.2013
PLACE : AHMEDABAD

FOR & ON BEHALF OF THE BOARD

RAKESH R. SHAH **SANJAY B. ATTARA**
Director Director

DATE : 19.07.2013
PLACE : AHMEDABAD





Notes on Financial Statements for the year ended 31st March, 2013

1. Share Capital

Amount ₹ in Thousands

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number	Amount	Number	Amount
Authorised 190000 Equity Shares of ₹100 each	190,000	19,000.00	190,000	19,000.00
Issued 187500 Equity Shares of ₹100 each	187,500	18,750.00	187,500	18,750.00
Subscribed & fully Paid up 187500 Equity Shares of ₹100 each	187,500	18,750.00	187,500	18,750.00
Total	187,500	18,750.00	187,500	18,750.00

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

Amount ₹ in Thousands

Particulars	Equity Shares			
	As at 31st March, 2013		As at 31st March, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	187,500	18,750.00	187,500	18,750.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	187,500	18,750.00	187,500	18,750.00

Out of Equity and Preference 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, 2013	As at 31st March, 2012
Equity Shares			
M/s. GSEC Ltd.	Holding Company	95625	95625
M/s. Komal Infotech Pvt. Ltd.	Ultimate Holding Company	66825	66825

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

Name of Shareholder	Equity Shares			
	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M/s. GSEC Ltd.	95625	51.00	95625	51.00
MR. Sanjay Attara	25050	13.36	25050	13.36
M/s. Komal Infotech Pvt. Ltd.	66825	35.64	66825	35.64



2. Reserves & Surplus

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
a. Capital Reserves		
Govt. Subsidy		
Opening Balance	312.04	312.04
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	312.04	312.04
b. Surplus		
Opening balance	12,825.03	10,850.65
(+) Net Profit/(Net Loss) For the current year	5.20	1,974.38
(+) Transfer from Reserves		
(-) Proposed Dividends		
(-) Interim Dividends		
(-) Transfer to Reserves		
Closing Balance	12,830.22	12,825.03
Total	13,142.26	13,137.06

3. Short-term Borrowings

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Secured		
(a) Loans repayable on demand		
Bank Of Maharashtra	17,732.54	31,238.30
(Secured By hypothication of stock and debtors)		
Above Facility is further secured by Personal Guarantee of Director Mr. Sanjay Attara and Corporate Guarantee of		
i) M/s Komal Infotech Pvt. Ltd.	-	-
ii) GSEC Ltd.	-	-
Working Capital Finance from HDFC Bank Ltd.	-	-
Short Term Loan From HDFC Bank Ltd.	-	-
	17,732.54	31,238.30
Unsecured		
Loans and advances from related parties GSEC LTD.	-	18,500
Total	17,732.54	49,738.30



4. Other Current Liabilities

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
1) Current Year Maturity if Long-Term Debt	-	-
2) Advance from Customer	1,535.99	2,374.80
3) Other Payables *	2,575.98	327.45
Total	4,111.96	2,702.25

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

5. Short-term Provisions

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
(a) Provision for employee benefits		
Gratuity	2,255.00	2,008.47
Leave Encashment	597.18	422.84
Pro. For Bonus-2011-12	240.72	479.88
Pro. For Bonus-2012-13	212.69	-
(b) Others (Specify nature)		
Provision for Income Tax (Net)	(594.70)	46.21
Total	2,710.88	2,957.40

6. Tangible Assets

Amount ₹ in Thousands

FIXED ASSETS	Rate of Dep.	Gross Block			Accumulated Depreciation				Net Block		
		As At 31st March, 2012	Additions	(Deductions)	As At 31st March, 2013	As At 31st March, 2012	Assets disposed	Dereciation For the Year	As At 31st March, 2013	As At 31st March, 2013	As At 31st March, 2012
Buildings	10.00	3,910.05	-	-	3,910.05	1,679.66	-	223.04	1,902.69	2,007.36	2,230.40
Plant & Machinery	15.00	35,080.62	779.38	18,356.29	17,503.70	19,599.18	10,931.02	2,247.68	10,915.85	6,587.86	15,481.43
Electrical Installation	13.91	500.57	-	-	500.57	418.10	-	11.47	429.57	71.00	82.47
Furnitures & Fixtures	18.10	1,587.78	-	-	1,587.78	1,460.81	-	22.98	1,483.79	103.99	126.77
Office Equipment	13.91	798.93	123.90	-	922.83	413.90	-	68.75	482.65	440.18	385.03
Air Conditioner	13.91	456.16	8.75	-	464.91	293.26	-	22.73	315.99	148.92	162.90
Computers	40.00	4,191.17	116.45	-	4,307.62	3,953.06	-	115.91	4,068.97	238.65	238.11
Vehicles	25.89	807.49	-	-	807.49	681.88	-	32.52	714.40	93.09	125.61
Total		47,332.77	1,028.48	18,356.29	30,004.96	28,499.84	10,931.02	2,745.08	20,313.90	9,691.05	18,832.72



7: Non-Current Investments

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Trade Investments		
Investment in Equity instruments		
10000 Equity Shares each of ₹10 of Adani Exports Limited	2,808.93	2,808.93
5000 Equity Shares each of ₹10 of Adani Exports Limited	1,529.64	-
	4,338.57	2,808.93
Other Investments		
Investment in Equity instruments		
5500 Equity Shares each of ₹100 of Kalapur Co. Op. Bank	137.50	137.50
Total	4,476.08	2,946.43

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Aggregate amount of quoted investments (Market value of 2012-13(Previous Year 2011-12))	3,033.00	2,808.93
Aggregate amount of unquoted investments (Previous Year 2010-11)	137.50	137.50

8 . Long Term Loans and Advances

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Unsecured, considered good (Other Deposits)	331.66	1,012.79
Doubtful		
(b) M/s Komal Infotech Pvt. Ltd.	10,713.62	-
Less: Provision for doubtful deposits	-	-
Total	11,045.28	1,012.79



9. Inventories

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
a. Raw Materials and components (Valued at cost) Goods-in transit	15,563.01	14,935.61
	15,563.01	14,935.61
b. Work-in-progress (Valued at cost) Goods-in transit	7,234.43	1,880.30
	7,234.43	1,880.30
c. Finished goods Internally Manufactured Other than internally manufactured Goods-in transit		
Total	22,797.44	16,815.91

10. Trade Receivables

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Trade receivables outstanding for a period less than six months from the date they are due for payment Secured, considered good Unsecured, considered good Unsecured, considered doubtful	5,374.92	2,432.63
	-	-
Less: Provision for doubtful debts	5,374.92	2,432.63
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Secured, considered good Unsecured, considered good Unsecured, considered doubtful	-	34.22
Less: Provision for doubtful debts		
Total	5,374.92	2,466.86

11. Cash and cash equivalents

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Balances with banks	57.92	42,614.38
Cash on hand	45.60	16.79
Margin money Deposit	409.20	2,070.09
Fixed deposit with Bank	586.38	424.20
Total	1,099.09	45,125.45



12. Other current assets

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Advances to Creditors	461.32	489.75
PLA Excise Deposit	-	3.69
Prepaid Expenses	255.26	407.16
RG 23 Balance	-	69.81
Interest Receivable	56.56	116.90
Packing Material Stock	855.00	-
Other Deposits	-	-
Other Advances	1,988.72	-
Total	3,616.86	1,086.80

13. Revenue from Operations

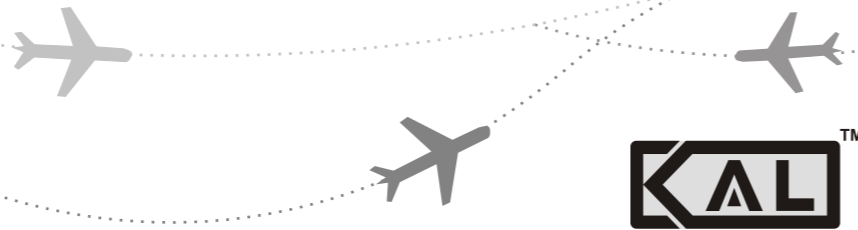
Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Sale of Products; Sale of Services; Less: Excise Duty.	23,662.53	12,483.33
	15,259.32	43,927.50
	3,069.71	766.52
Total	35,852.14	55,644.31
Other Operating Revenues (Freight on sales)	110.35	124.11
Total operating Revenue	35,962.49	55,768.43

14. Other Income

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Interest Income	641.03	232.42
Dividend Income	35.63	16.50
Kasar Vata	3.84	12.86
Profit on Sale of Asset	2,574.73	-
Sundry Creditors Written back	73.89	-
Leave Encashment	-	173.08
Misc. Income	-	13.70
Excess Provision Written Back of bonus	239.16	-
Total	3,568.27	448.56



15. Cost of Material consumed

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Inventory at the beginning of the year	14,935.60	14,094.03
Add: Purchases	7,423.33	7,909.81
Add: Custom duty & Freight	597.49	429.89
	22,956.43	22,433.72
Less: Inventory at the end of the year	15,563.01	14,936.60
Less: Abnormal Losses during the year		
Cost of raw material consumed	7,393.42	7,498.12
Packing Material (if considered as part of Raw Material)		
Other materials (purchased intermediates and components)		
Total	7,393.42	7,498.12

16. Changes in Inventory

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Inventories (At closing)		
Work in Progress	7,234.43	1,880.30
Finished Goods	7,234.43	1,880.30
Inventories (At Commencement)		
Work in Progress	1,880.30	13,812.11
Finished Goods	1,880.30	13,812.11
Decrease/ (Increase)	(5,354.13)	11,931.81

17. Employee Benefits Expense

Amount ₹ in Thousands

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Amount	Amount
Bonus	217.29	479.88
Salary Exp.	14,299.82	12,867.42
Security Exp.	76.32	87.57
Staff Training & Welfare Exp.	220.85	214.03
Admin & Edli Charges	84.50	84.66
Cont. To Provident and other Funds	911.31	668.38
Gratuity Expenses	294.54	-
Leave Salary Expenses	184.36	-
Manpower Service Exp.	375.00	-
Total	16,663.98	14,401.95



18. Finance Cost

Amount ₹ in Thousands

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Amount	Amount
Interest Expenses		19.27
Bank Charges	88.01	9.58
Bank Guarantee Charges	91.51	43.61
Franking Charges		340.50
Interest on Term Loan from Banks		4.28
Interest on Unsecured loan		954.74
Interest on working capital loan from Banks	2,278.93	966.92
Total	2,458.45	2,338.90

19. Other Expenses

Amount ₹ in Thousands

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Amount	Amount
Electricity Charges	589.96	568.99
Business Promotion Exp.	112.41	1,183.30
Exhibition Charges & Foreign Travel Expenses	371.13	379.57
Rent	3,642.00	69.90
Traveling & Conveyance	1,225.74	1,058.93
Legal & Professional Charges	1,868.82	632.59
Auditors Remuneration	70.00	110.30
Repairs & Maintenance of Plant & Machinery	188.89	300.76
Repairs & Maintenance of BUILDING	74.17	352.95
Bareja Godown renovation	1,751.67	
Bad Debts		2,778.10
Water Resource Project Exp.	117.59	728.25
Foreign Travelling Exp.		645.14
Exchange Rate fluctuation Charges	(12.08)	12.10
Insurance	143.61	47.50
Directors' Remuneration	1,440.00	1,440.00
Rates, Taxes and Fees	43.84	129.69
Misc. Exp.	3,480.95	3,144.40
TOTAL	15,108.70	13,582.47



20. NOTES TO ACCOUNTS

1) ACCOUNTING POLICIES:

a) Method of Accounting:

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

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

b) Fixed Assets:

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

c) Depreciation:

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

d) Valuation of Inventories:

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

e) Revenue Recognition:

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

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

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

f) Retirement Benefits:

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

g) Investments:

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

h) Cash Flow Statement:

The Cash Flow Statement has been complied from and is based on the Balance sheet as at 31st March, 2012 and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statement issued by ICAI

i) Foreign Exchange Transaction:

All Foreign Currency transaction were initially recognised at the rate on the date of transaction.

Exchange differences arising on the settlement of monetary items were recognised as income/expenses.

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

j) Borrowing Cost:

Borrowing cost that are directly attributable to the acquisition of qualifying assets are capitalized as part of cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost are charged to revenue.



k) Accounting for Taxes on Income:

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

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

l) Impairment of Assets:

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

m) Provisions and Contingent Liabilities and Contingent Assets:

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

n) Operating Lease:

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

Amount ₹ in Thousands

2) Payment to Auditors	2012-13	2011-12
As Auditor	35.00	85.00
For Tax Audit	15.00	30.00
For Other Capacity	20.00	125.00
Total	70.00	240.00

Amount ₹ in Thousands

3) Director's Remuneration	2012-13	2011-12
Sanjay B. Attara, Director		
Salary	960.00	960.00
HRA, Conveyance, LE & PF	480.00	480.00
Total	1,440.00	1,440.00

Amount ₹ in Thousands

4) Foreign Exchange Transaction	2012-13	2011-12
CIF value of Raw materials	2,191.30	2,427.25
CIF value of Capital Goods	-	54.21
CIF value of Other Imports	-	-
F.E. out go on account of Travel	94.81	645.09
F.E. out go on account of Exhibition	-	364.50
F.E. out go on account of Other Services	-	-
fob value of Exports	-	69.58
Total	2,286.11	3,560.62



Amount ₹ in Thousands

5) Contingent Liability	2012-13	2011-12
BG against Earnest Money Deposit	-	1,282.85
Performance Guarantees	3,862.76	1,808.34
BG Against Security Deposit	-	659.30
BG For free issue of Materials	-	-
Foreign letter of credit	-	-
Financial Guarantee	-	420.00
Total	3,862.76	3,750.48

Amount ₹ in Thousands

6) Earning Per Share	2012-13	2011-12
Total Weighted Avg No. of Shares outstanding at the beginning of the year	187.50	187.50
Weighted Avg. No. of shares issued during the year	-	-
Total Weighted Avg No. of Shares outstanding at the end of the year (used for denominator for calculating EPS)	187.50	187.50
Profit /(Loss) attributable to shareholders	5.20	1,974.38
Basic / Diluted earning per Share (Face Value of ₹100/-) In ₹	-	-

7) Deferred Tax:

In conformity with Accounting Standard 22 on Accounting for Taxes on income Issued by Institute Of Chartered Accountants of India during the year the company has provided for the Net Deferred Tax Assets / Liabilities in the books of accounts. Net Deferred Tax (Liability)/Asset as on March 31st 2013 amounting to ₹ 6,32,356 (2011-12 ₹ 1,53,657/-) has been arrived as follow.

Amount ₹ in Thousands

	2012-13	2011-12
Depreciation	1,513.68	904.93
Provision for Gratuity	696.80	620.62
Provision for Leave Encashment	184.53	130.66
Net Deferred Tax Liability	632.35	153.66

The Tax Impact for the above Purpose has been arrived by applying a Tax Rate of 30.9% being the Prevailing tax Rate for the Indian companies under the income tax Act 1961 Based on the Management Estimate The Company Would have Sufficient Taxable Income in Future to utilize Credit available under the Companies Act 1961.

8) Related Party Disclosures :

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

1. Related Parties

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



Amount ₹ in Thousands

2. Related Party Transactions

Rent Paid To Mr. Rakesh R. Shah	3,600.00	-
Interest Received From Komal Infotech	513.62	-
Balance receivable from Komal Infotech	10,713.62	-
Balance payable to Holding Company	-	1,850.00
Interest Paid	-	954.74
b) Remuneration paid to the Director Mr. Sanjay Attara is disclosed above.	1,440.00	1,440.00

9. Secured Loans

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

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

There are no Micro, Small and Medium enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

11. Disclosure under Borrowing Cost

Borrowing Cost Capitalised during the period was ₹ Nil.

12. Foreign Exchange Fluctuations

As per the above stated accounting Policy the amount of exchange Difference (Benefit) credited to Profit and Loss Account during the year was amounted to ₹ 12077.43/- (Previous Year debited ₹ 12100/-)

13. Retirement Benefit Plans

a) Defined Contribution Plan

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

The company recognized ₹ 697906/- (Previous Year ₹ 699206/-) for Provident fund contribution in the Profit and loss account. The contribution payable to this plan by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

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

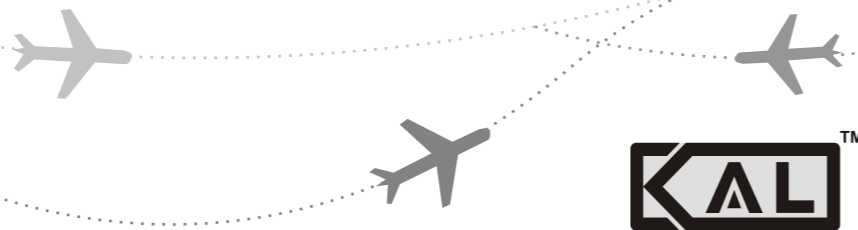
The present value of the defined benefit obligation and the related current service cost were measured using projected Unit Credit Method with actuarial valuation being carried out at each balanced date.

The following table sets out the status of the Defined Benefit obligation and the amount recognized in the companies financial statements as at 31st March, 2012.

i) Gratuity :

Amount ₹ in Thousands

a) Change in benefit obligations:	31-03-2013	31-03-2012
Present value of the obligation as at the beginning of the year	2,008.47	2,281.85
Interest Cost	163.72	182.55
Current service Cost	201.44	195.99
Benefits Paid/Payable	(48.00)	(7.15)
Actuarial (Gain)/Loss on obligations	(70.62)	(644.77)
Present value of the obligation as at the end of the year	2,255.00	2,008.47



ii) Leave Encashment :

Amount ₹ in Thousands

a) Change in benefit obligations:	31-03-2013	31-03-2012
Present value of the obligation as at the beginning of the year	422.84	609.97
Interest Cost	34.47	48.80
Current service Cost	78.15	65.81
Benefits Paid	(10.03)	(14.05)
Actuarial (Gain)/Loss on obligations	71.74	(287.68)
Present value of the obligation as at the end of the year	597.18	422.84

c) Change in Plan Assets:

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

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

Amount ₹ in Thousands

Current service Cost	279.59	261.80
Interest Cost	198.19	231.35
Net Actuarial(Gain)/Loss Recognised in the year	1.12	(932.45)
Net Cost/Benefit	478.90	(439.31)

e) Assumptions used in accounting for Gratuity & Leave Encashment

Discount Rate	8.20%	8.25%
Salary Escalation Rate	6.00%	6.00%

14) Balances under Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances Payable/Receivable are subject to confirmation and reconciliation.

15) Certain items in the comparative figures have been reclassified to confirm to the current years classification.

16) In the opinion of the Board, except as otherwise stated, the current assets and loans and advances have a value on realization at least equal to amounts at which they are stated in the Balance Sheet.

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

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR BJS & ASSOCIATES

Chartered Accountants
Firm Registration No. 113268W

Apurv Shah
Partner
M.No.- 106016

DATE : 19.07.2013
PLACE : AHMEDABAD

FOR & ON BEHALF OF THE BOARD

RAKESH R.SHAH **SANJAY B. ATTARA**
Director Director

DATE : 19.07.2013
PLACE : AHMEDABAD



GSEC Limited

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

ATTENDANCE SLIP

I hereby record my presence at the 47th Annual General Meeting of the Company on Wednesday, the 18th day of September, 2013 at 11.00 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industry's Building, Ashram Road, Ahmedabad – 380 009, Gujarat.

Name of the Attending Member: _____

(In Block Letters)

Member's Folio No.: _____

Name of Proxy: _____

(In Block letters to be filled in, if the Proxy attends the meeting instead of Member)

Number of shares held: _____

Signature of Shareholder/Proxy

Note: Shareholder/Proxy who wish to attend the meeting must bring the Attendance Slip, duly signed, to the meeting and hand over it at the Entrance.

GSEC Limited

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

PROXY FORM

I/We of _____ of _____

being a Member/(s) of the Company, hereby appoint _____ of _____

_____ or failing him _____ of _____

as my/our Proxy to vote for me/us on my/our behalf at the 47th Annual General Meeting of the Company to be held on Wednesday, the 18th day of September, 2013 at 11.00 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industry's Building, Ashram Road, Ahmedabad – 380 009.

Signed this _____ day of _____ 2013

Folio No.: _____ No. of shares held: _____

Signature(s) of Member(s): _____

Affix a
Revenue
Stamp
of ₹ 1

Note:

1. A Proxy need not to be a Member
2. The Proxy Form, duly signed across the Revenue Stamp, should reach the Registered Office of the Company at least 48 hours before the time fixed for meeting.

AFTER

9 YEARS

OF CONTINUOUS GROWTH,
WE ARE NOW AIMING TO ACHIEVE

**EXPONENTIAL
GROWTH**

IN LOGISTICS AS WELL AS

DIVERSIFIED

TRADING ACTIVITIES