

Since 1965

51

ANNUAL REPORT
2016 - 17

STEADILY AHEAD

GSEC





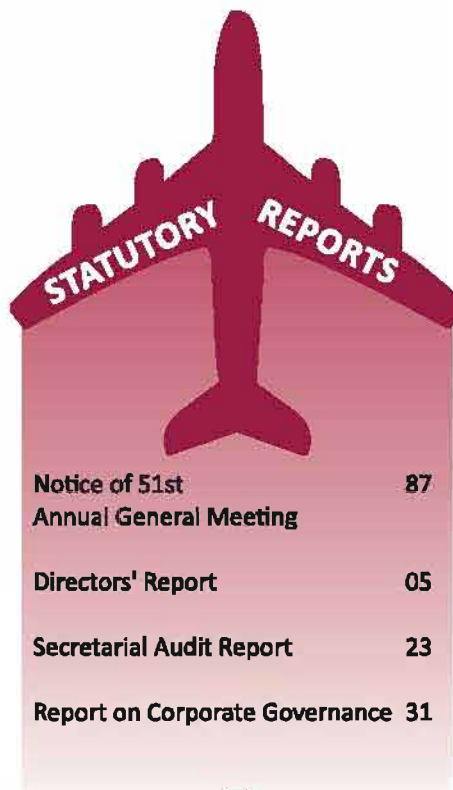
The inspiration behind the design of GSEC identity is "colours".

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

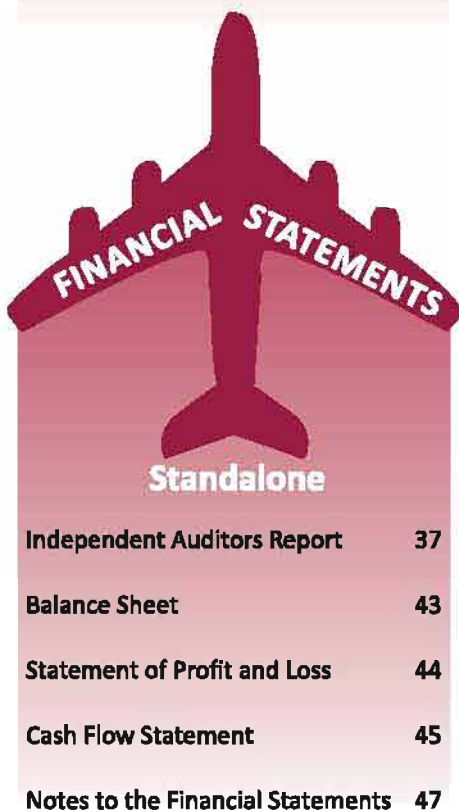
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GSEC

GROUP

GSEC Limited



Air Cargo Operations

GSEC Aviation Limited



Aviation Services

International Cargo



Sardar Vallabhbhai Patel
International Airport
Ahmedabad, Gujarat



Visakhapatnam Airport
Vizag, Andhra Pradesh
(Include Ground Handling
Contract)

Domestic Cargo



Swami Vivekananda Airport
Raipur, Chhattisgarh



DABH Airport
Indore, Madhya Pradesh

Aircraft



Aircraft Charter Business
Ahmedabad

Simulator



Full Flight Simulator (FFS)
(Proposed Project)
Indore

Trading



Petrochemical Products



Dyes and Chemicals

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Executive Directors

Mr. Rakesh Shah	-	Chairman and Managing Director
Mr. Samir Mankad	-	CEO & Whole-time Director
Mr. Shaishav Shah	-	Whole-time Director
Ms. Rajl Shah	-	Whole-time Director

Non-Executive/Independent Directors

Mr. Chinubhai Shah	-	Director
Mr. Natwarlal Patel	-	Director
Mr. Bhalabhai Patel	-	Director
Mr. Sandip Parikh	-	Director

BOARD COMMITTEES:

Audit Committee

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

Nomination and Remuneration Committee

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

Share transfer and Grievances Committee

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

COMPANY SECRETARY:

Mr. Chintan Patel

PROFESSIONAL ACQUAINTANCES:

Statutory Auditors

BJS & Associates
Chartered Accountants
Ahmedabad

Internal Auditors

Dharmesh Parikh & Co.
Chartered Accountants
Ahmedabad

Secretarial Auditor

Umesh Parikh & Associates
Company Secretary
Ahmedabad

INVESTORS' CONTACT:

Registered Office

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

Registrar and Share Transfer Agent

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

BANKERS:

State Bank of India

DCB Bank Limited

Chairman Message



“In the journey of this expansion the biggest strength has been that of the people and hardworking team members.”

“STEADILY AHEAD”

Dear Shareholders,

It is a pleasure to address through the Annual Report of the company, for the financial year ending on 31st March 2017. During the year, Company encountered many challenges and opportunities. Company could maintain its forward momentum and invaluable insights into air logistics and trading areas. With the uneasy calm prevailing in the market since last few months, following radical reforms like demonetization, the company could hold steady and registered growth in logistics business.

It is great pleasure to inform you that company has been recently awarded contract for Operations and Marketing of International Air Cargo Complex at Vikakhapatanam from ANDHRA PRADESH TRADE PROMOTION CORPORATION LIMITED (APTPCL). This will put the name of the company at one more airport in addition to Ahmedabad, Indore and Raipur. It is an achievement and we are very proud of.

In the journey of this expansion the biggest strength has been that of the people and hardworking team members. Further supported this team with the experienced leaders and senior managers with the focus of bettering infrastructure, systems and processes.

Company have continued on discovery towards finding the optimal business model which can be best supported by infrastructure and team. As a result, the Company has maintained positive cash flow, continued to repay its loans, while at the same time remained profitable company towards the end of the year.

As widely reported, GST is perceived as the most wide-ranging tax reorganization and targets to make India into “One Nation, One Tax, One Market”. The structure proposed under the GST offers an ideal opportunity for organizations to re-engineer their existing supply chain

networks to reduce inefficiencies. With its comprehensive integrated service portfolio, GSEC is distinctively positioned to support the consequent supply chain realignment.

Performance Highlights

The performance of company during the financial year 2016-17 was satisfactory. The business model of the Company equipped us with the ability to deliver exceptionally well both in good and bad times. During the stressed economic environment and in the adverse situation your company ended the financial year with positive note with the pre-tax profits of Rs. 334.04 lacs and post-tax profits of Rs. 219.21 lacs and recorded the marginal growth of 6.04%.

We are committed to continue with our operational excellence journey in the coming financial year. We will take various initiatives at strategic and ground level to continue with the same.

We would like to take this opportunity to thank to our shareholders, partners, employees, customers and other stakeholders for their firm belief in the Company.

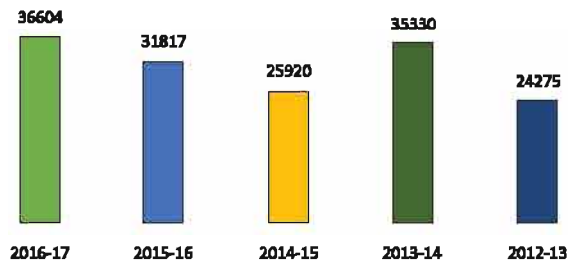
Sincerely,
RAKESH SHAH
Chairman & Managing Director



Financial Highlights

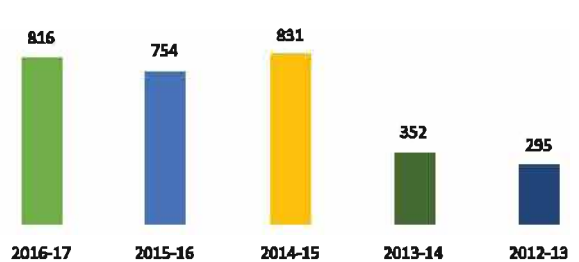
Our report card (Standalone)

Total Income (₹ in Lacs)



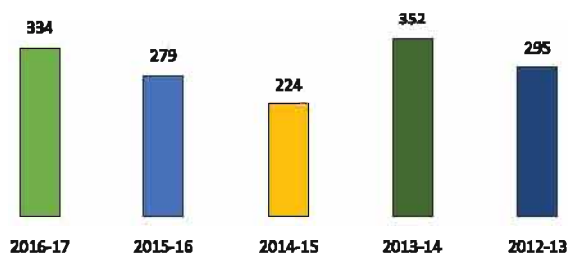
↑ 36604
Total Income (₹ in Lacs)
51% Growth Over five Years.

EBITDA (₹ in Lacs)



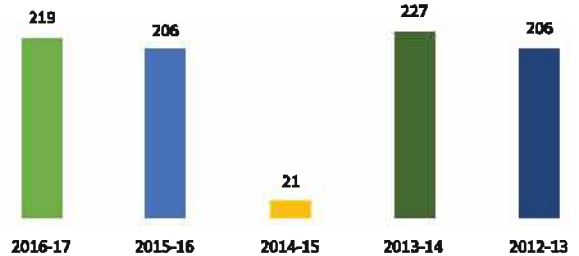
↑ 816
EBITDA (₹ in Lacs)
177% Growth Over five Years.

Profit / (Loss) Before Tax (₹ in Lacs)



↑ 334
PBT (₹ in Lacs)
13% Growth Over five Years.

Profit / (Loss) After Tax (₹ in Lacs)



↑ 219
PAT (₹ in Lacs)
6% Growth Over five Years.

DIRECTORS' REPORT

To,
The Members,

Your Directors present herewith the 51st Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended, 31st March, 2017.

FINANCIAL RESULTS (STANDALONE):

(₹ in Lacs)

Particulars	2016-17	2015-16
Net Revenue from Operations	36235.34	31265.87
Other Operating Revenue	202.51	156.66
Revenue from Operations	36437.85	31422.53
Other Income	166.24	394.03
Total Revenue	36604.09	31816.56
Profit before financial charges, Depreciation and taxation	816.20	753.56
Less: Financial charges	235.31	205.01
Less: Depreciation and amortization expenses	246.85	269.41
Profit before exceptional and prior period items and tax	334.04	279.14
Less: Exceptional items	0.00	0.00
Less: Prior period items	0.00	0.00
Profit before tax	334.04	279.14
Less: Current Tax	112.70	90.00
Less: Deferred Tax Liability	2.11	(21.52)
Less: Provision for tax of earlier years	0.02	4.68
Profit after taxation	219.21	205.97
Earnings Per Equity Share (in ₹)	2.90	2.73

STATE OF THE COMPANY'S AFFAIRS:

During the financial year ended March 31, 2017, your Company recorded a total revenue of ₹ 36604.10 Lacs as compared to ₹ 31816.57 Lacs during the previous financial year ended March 31, 2016. The Profit before exceptional and prior period items and tax of your Company for the financial year ended March 31, 2017 stood at ₹ 334.04 Lacs as against the previous financial year ended March 31, 2016 was ₹ 279.14 Lacs. Accordingly, Net profit after tax stood at ₹ 219.21 Lacs as against the previous financial year ended March 31, 2016 was ₹ 205.97 Lacs which reflects a growth of 6.43% over the corresponding Profit for the financial year ended March 31, 2016.

DIVIDEND:

The Board recommends payment of dividend of ₹ 0.50/- (Fifty Paise) per share on 7550000 Equity shares of face value of ₹ 10/- each for the year ended March 31, 2017.

TRANSFER TO RESERVES:

The Company has not transferred any amount to the General Reserve during the financial year ended March 31, 2017.

SHARE CAPITAL STRUCTURE OF THE COMPANY:

The paid up capital of the company as on March 31, 2017 was ₹ 7,55,00,000/- divided in to 75,50,000 Equity shares of ₹ 10/- Each. There was no change in the Equity shares capital of the company during the financial year ended March 31, 2017.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Subsequent to the end of the financial year on March 31, 2017 till date, there has been no material change and/or commitment which may affect the financial position of the Company.

DIRECTORS AND SENIOR MANAGERIAL PERSONNEL:

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



Directors retire by rotation:-

In accordance with Section 152 of the Companies Act, 2013, Mr. Shaishav Shah (DIN: 00019293) retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Re-Appointment of Directors:-

The tenure of Mr. Samir Mankad, Whole time Director was completed on March 31, 2017, so your Directors at its meeting held on December 28, 2016 have re-appointed Mr. Samir Mankad as Whole-time Director of the Company w.e.f. April 01, 2017, for a further period of three (3) years, subject to the approval of the shareholders at the ensuing Annual General Meeting. Subsequently he has been appointed as a CEO of the Company also.

The Board of Directors recommends passing both the resolutions.

Apart from above, there have been no changes in Directors and KMP.

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

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

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

REMUNERATION POLICY:

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

DEPOSITS:

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

SUBSIDIARY COMPANIES:

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

During the year under review, GSEC Logistics Limited, the wholly owned subsidiary Company has earned total revenue of ₹ 3.36 Lacs (Previous year 3.20 Lacs) and has earned Net Profit of ₹ 0.18 Lacs (Previous year ₹ 1.88 Lacs).

During the year under review, GSEC Green Energy Private Limited, the wholly owned subsidiary Company has earned Revenue from operations of 0.41 Lacs (Previous year ₹ 195.55 Lacs) and has posted Net loss of ₹ 28.62 Lacs (Previous year Net Loss ₹ 33.58 Lacs)

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE MEETING:

The details of the number of meetings of the Board held during the Financial Year 2016-17 forms part of the Corporate Governance Report.

COMMITTEES OF THE BOARD:

The Board of Directors has the following Committees:-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.



EXTRACT OF ANNUAL RETURN:

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

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

PARTICULARS OF EMPLOYEES:

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

In terms of provisions of Section 136(1) of the Act, the Annual Report excluding the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being sent to the members of the Company. The said information is open for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

AUDITORS:**Statutory Auditors:-**

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

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

Secretarial Audit:-

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

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

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

INTERNAL FINANCIAL CONTROL SYSTEM:

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



RISK MANAGEMENT POLICY:

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

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set-up to redress complaints received regarding sexual harassment. The Company has not received any sexual harassment complaint during the year 2016-17.

SIGNIFICANT AND MATERIAL ORDERS:

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

ACKNOWLEDGEMENTS:

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

Place: Ahmedabad
Date: 26th August 2017

For and on behalf of the Board of Directors,

RAKESH SHAH
Chairman & Managing Director
DIN: 00421920

ANNEXURE - A

Form AOC-I

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

Part "A": Subsidiaries

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

1	Sl. No.	1	2
2	Name of the subsidiary	GSEC Logistics Limited	GSEC Green Energy Private Limited
3	The date since when subsidiary was Acquired	07.09.2006	02.01.2012
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2016 to 31.03.2017	01.04.2016 to 31.03.2017
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR
5	Share capital	5,00,000	1,00,000
6	Reserves & surplus	20,47,492	(1,14,77,148)
7	Total assets	3,99,26,494	3,32,20,389
8	Total Liabilities	3,73,79,002	4,45,97,537
9	Investments	NIL	15,000
10	Turnover	NIL	NIL
11	Profit before taxation	37,405	(28,61,617)
12	Provision for taxation	19,046	NIL
13	Profit after taxation	18,359	(28,61,617)
14	Proposed Divided	NIL	NIL
15	% of Shareholding	100%	100%

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

Part "B": Associates and Joint Ventures: NIL

As per our attached report of even date

For BJS & Associates

Chartered Accountants
 Firm Registration No. 113268W

CA Bipin Shah

Partner
 Membership No. 10712

Place : Ahmedabad

Date : 26th August, 2017

For and on behalf of Board of Directors of

Rakesh Shah

Chairman & Managing Director
 (DIN: 00421920)

Place : Ahmedabad

Date : 26th August, 2017

Samir Mankad

CEO & Whole-time Director
 (DIN: 00421878)

Chintan Patel

Company Secretary
 (M. No.: A29326)



ANNEXURE - B

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% total turnover of the company
1	Other wholesale Trading Business	51909	91.28
2	Air Cargo Business	99671	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

i) Category-wise Share Holding:-

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

(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-	-	-
(f) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h) Others	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non - Institutions									
(a) Bodies Corporate	-	29010	29010	0.38	-	29010	29010	0.38	-
(b) Individuals									
i) Individual Shareholders holding nominal share capital up to ` 1 Lakh	16560	97980	114540	1.52	17550	96990	114540	1.52	-
ii) Individual Shareholders holding nominal share capital in excess of ` 1 Lakh	12000	38400	50400	0.67	12000	38400	50400	0.67	-
(c) Others	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2)	28560	165390	193950	2.57	29550	164400	193950	2.57	-
Total Public Shareholding (B) = (1) + (2)	28560	165390	193950	2.57	29550	164400	193950	2.57	-
TOTAL (A)+(B)	28560	7521440	7550000	100.00	29550	7520450	7550000	100.00	-
(C) Shares held by Custodians and against which Depository Receipts have been issued									
	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	28560	7521440	7550000	100	29550	7520450	7550000	100.00	-

ii) **Shareholding of Promoters:-**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	KOMAL INFOTECH PVT LTD	4783910	63.36	0.00	4783910	63.36	0.00	0.00
2	PRITI R. SHAH	1447670	19.17	0.00	1447670	19.17	0.00	0.00
3	RAKESH R. SHAH	636090	8.43	0.00	636090	8.43	0.00	0.00
4	SHAISHAV R. SHAH	487270	6.45	0.00	487270	6.45	0.00	0.00
5	KOMAL R. SHAH	1110	0.02	0.00	1110	0.02	0.00	0.00
	TOTAL	7356050	97.43	0.00	7356050	97.43	0.00	0.00

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING:-** There were no change in the holding of any Promoters during the year under review.

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

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

2	ALEMBIC LIMITED				
	At the beginning of the year	12210	0.16	12210	0.16
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	12210	0.16	12210	0.16
3	MANOJKUMAR RAMANLAL GANDHI				
	At the beginning of the year	12000	0.16	12000	0.16
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	12000	0.16	12000	0.16
4	VASUNDHARA CANNING PVT. LTD.				
	At the beginning of the year	4500	0.06	4500	0.06
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	4500	0.06	4500	0.06
5	ALPA SHRIRAM PUROHIT				
	At the beginning of the year	2520	0.02	3300	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Increase on dated:30.06.2016 due to Transfer of 1560 Shares			
	At the End of the year(or on the date of separation, if separated during the year)	NIL	NIL	3300	0.04

6	SHARDADEVI KANTILAL GURU				
	At the beginning of the year	3240	0.04	3240	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	3240	0.04	3240	0.047
7	KANTILAL MOHANLAL GURU				
	At the beginning of the year	3210	0.04	3210	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Decrease on dated: 12.08.2016 due to Transfer of 3210 Shares			
	At the End of the year(or on the date of separation, if separated during the year)	-	-	0	0.00
8	JAYESH KANTILAL GURU				
	At the beginning of the year	-	-	3210	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	Increase on dated: 12.08.2016 due to Transfer of 3210 Shares			
	At the End of the year(or on the date of separation, if separated during the year)	-	-	3210	0.04
9	TARUN UNAAGAR				
	At the beginning of the year	3150	0.04	3150	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	3150	0.04	3150	0.04
10	SHANTILAL M JARIWALA				
	At the beginning of the year	3000	0.04	3000	0.04
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	3000	0.04	3000	0.04
11	LALCHAND T MEHTA				
	At the beginning of the year	2700	0.03	2700	0.03
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	NO CHANGE DURING THE YEAR			
	At the End of the year(or on the date of separation, if separated during the year)	2700	0.03	2700	0.03

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	RAKESH RAMANLAL SHAH	CHAIRMAN AND MANAGING DIRECTOR			
	At the beginning of the year equity etc.)	636090	8.42	636090	8.42
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	636090	8.42	636090	8.42
2	SAMIR HANSHKUMAR MANKAD	WHOLE-TIME DIRECTOR			
	At the beginning of the year equity etc.)	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
3	SHAISHAV RAKESHKUMAR SHAH	WHOLE-TIME DIRECTOR			
	At the beginning of the year equity etc.)	487270	6.45	487270	6.45
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	487270	6.45	487270	6.45
4	RAJI SHAISHAV SHAH (Appointed as on 01.04.2016)	WHOLE-TIME DIRECTOR			
	At the beginning of the year equity etc.)	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL

5	CHINUBHAI RAMANLAL SHAH	DIRECTOR (INDEPENDENT)			
	At the beginning of the year equity etc.)	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
6	BHALABHAI CHHOTABHAI PATEL	DIRECTOR (INDEPENDENT)			
	At the beginning of the year equity etc.)	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
7	NATWARLAL MEGHJIBHAI PATEL	DIRECTOR (INDEPENDENT)			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
8	SANDIP ASHWINBHAI PARIKH	DIRECTOR (INDEPENDENT)			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL
9	CHINTANKUMAR PATEL (Appointed as on 02.05.2016)	WHOLE-TIME COMPANY SECRETARY			
	At the beginning of the year equity etc.	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat)	NO CHANGE DURING THE YEAR			
	At the end of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS:

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

Sl. Particulars No	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	152429432	28234114	NIL	180663546
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	152429432	28234114	NIL	180663546
Change in Indebtedness during the financial year				
- Addition	-	81913282	-	81913282
- Reduction	96674970	NIL	NIL	(96674970)
Net Change	96674970	81913282	NIL	(14761688)
Indebtedness at the end of the financial year				
i) Principal Amount	55754462	110147396	NIL	165901858
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	55754462	110147396	NIL	165901858

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Rakesh R. Shah, CMD	Samir H. Mankad, WTD	Shaishav R. Shah, WTD	Raji S. Shah WTD	
1.	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000/-	25,20,000/-	22,85,000/-	17,09,000/-	1,01,14,000/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commision - as % of profit - Others, specify...	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (A)	36,00,000/-	25,20,000/-	22,85,000/-	17,09,000/-	1,01,14,000/-
	Ceiling as per the Act	Within the limits specified under Schedule V of the Companies Act, 2013.				

B. Remuneration to other directors:-

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Chinubhai Shah	Bhalabhai Patel	Natwarlal Patel	Sandip Parikh	
1.	Independent Directors					
	- Fee for attending board committee meetings - Commission - Others, please specify	67500/-	60000/-	30000/-	37500/-	195000/-
	Total(1)	67500/-	60000/-	30000/-	37500/-	195000/-
2.	Other Non-Executive Directors					
	- Fee for attending board committee meetings - Commission - Others, please specify	NOT APPLICABLE				
	Total (2)					
	Total (B)=(1+2)	67500/-	60000/-	30000/-	37500/-	195000/-
	Overall Ceiling as per the Act	Within the limits specified under Schedule V of the Companies Act, 2013.				

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			(Amount in ₹)
		CEO	*Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961	NIL	3,28,000/-	NIL	3,28,800/-
	(b) Value of perquisites u/s17(2) Income-taxAct,1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section17(3) Income-tax Act,1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	3,28,800/-	NIL	3,28,800/-

* Not a Key Managerial Personnel under the Companies Act, 2013.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors,

Date: 26th August 2017

Place: Ahmedabad

RAKESH SHAH
Chairman & Managing Director
(DIN: 00421920)

ANNEXURE - C

Form AOC – 2

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

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

1. Details of material contracts or arrangements or transactions not at arm's length basis: None of the transactions with related parties fall in this category.

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

(₹ in Lacs)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts /arrangements / transactions	Salient terms of the contracts or arrangements	Date(s) of approval by the Board, if any.	Amount paid as advances, if any.
Priti R. Shah (Relative of Director(s))	Lease/Rent Agreement	As per Agreement	23.06	As per Note Below	As per Note Below
Shaishav R. Shah (Whole-time Director)	Lease/Rent Agreement	As per Agreement	2.74	As per Note Below	As per Note Below

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

For and on behalf of the Board of Directors,

Date: 26th August 2017

Place: Ahmedabad

RAKESH SHAH
Chairman & Managing Director
(DIN: 00421920)

ANNEXURE - D**Particulars of Loans and Guarantees**

Amount outstanding as at 31st March, 2017

(in Lacs)

Particulars	Amount
Loans given	581.30
Guarantee given	NIL

Loan, Guarantee and Investments made during the Financial Year 2016-17

(in Lacs)

Name of Entity	Relation	Amount	Particulars	Purpose
GSEC Green Energy Private Limited	WOS	197.37	Loan	Business
GSEC Logistics Limited	WOS	373.67	Loan	Business

For and on behalf of the Board of Directors,

Date: 26th August 2017
Place: Ahmedabad**RAKESH SHAH**
Chairman & Managing Director
(DIN: 00421920)

ANNEXURE - E

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

FOR THE FINANCIAL YEAR ENDED March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
GSEC LIMITED
CIN-U52100GJ1965PLC001347
Gujarat Chambers Building,
Ashram Road,
Ahmedabad – 380009

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

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

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

- i. Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the Stock Exchanges. (Not Applicable as the shares of the Company are not listed on any Stock Exchange).

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

We further report that:

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

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

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors at least seven days in advance to schedule the Board Meetings and agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that :

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

We further report that :

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

We further report that :

During the Audit period under review, the event / action having major bearing on the Company's affairs in pursuance of the above mentioned laws, rules, regulations, guidelines, standards, etc. is as mentioned below:

1. The Company has altered the Object Clause of Memorandum of Association of the Company by insertion of object clauses relating to Civil Aviation business and related activities as approved by members of the Company through Postal Ballot.

**For Umesh Parikh & Associates
Company Secretaries**

**Place : Ahmedabad
Date : 16th August, 2017**

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

Note: This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.



Annexure A

To,
The Members,
GSEC LIMITED
CIN- U52100GJ1965PLC001347

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

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

Place : Ahmedabad
Date : 16th August, 2017

**For Umesh Parikh & Associates
Company Secretaries**

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

ANNEXURE - F

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

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

(A)	Conservation of energy :	
(i)	the steps taken or impact on conservation of energy;	In order to conserve resources, the Company has taken measures and applied control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. On account of measures taken, it reduces the energy consumption.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	N.A.
(iii)	the capital investment on energy conservation equipments	N.A.
(B)	Technology absorption :	
(i)	the efforts made towards technology absorption;	There is no technology absorption and Company has not incurred any Research and development expenditure.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	N.A.
	(a) the details of technology imported;	N.A.
	(b) the year of import	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	N.A.
(iv)	the expenditure incurred on Research and Development	N.A.
(C)	Foreign Exchange Earning and Outgo:	
(i)	Foreign Exchange Earning	During the year under review, earnings in Foreign Currency amounted to NIL.
(ii)	Foreign Exchange Outgo	During the year under review, outgo in Foreign Currency amounted to ₹ 33.23 Lacs. (Previous year ₹ 67.06 Lacs)

For and on behalf of the Board of Directors,

Date: 26th August 2017

Place: Ahmedabad

RAKESH SHAH
Chairman & Managing Director
(DIN: 00421920)

ANNEXURE - G

Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Senior Employees of GSEC limited

I TERMS OF REFERENCE TO THE NOMINATION AND REMUNERATION COMMITTEE:

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

II APPLICATION:

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

III OBJECTIVITY:

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

I. DEFINITIONS:

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

II. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP:

1. The Committee shall consider criteria such as qualifications, skills, expertise and experience of the person to be appointed as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
2. The age of person to be appointed as a Non-Executive Director shall not be less than 21 years and more than 75 years. The Committee at its discretion may recommend to the Board continuation of Director for further term of appointment who has completed 75 years.
3. The age of person to be appointed as an Executive Director shall not be less than 21 years and not more than 70 years. The Committee at its discretion may recommend to the Board continuation of Director for further term of appointment who has completed 70 years.
4. The Company should ensure that the person so appointed as Director is not disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
5. The Director/ Independent Director / KMP / SMP shall be appointed as per the provisions and procedure laid down under the Companies Act, 2013 including rules made thereunder, as may be applicable or any other enactment for the time being in force.
6. The Committee may recommend to the Board for removal of a Director on account of any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground. The Committee may also recommend to the Board for removal of KMP or SMP subject to the provisions and compliance of the applicable Act, rules and regulations.

7. Term and tenure of a Director shall be in accordance with the provisions of the Companies Act, 2013 rules made thereunder as may be applicable and amended from time to time.

III. REMUNERATION OF DIRECTORS, KMP AND SMP:

A) DIRECTORS –

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

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

(I) EXECUTIVE DIRECTORS –

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

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

The remuneration components shall include inter alia:

A. Fixed salary:

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

The salary may be reviewed;

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

B. Commission:

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

C. Separation / Retirement benefits:

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

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961 or any amendment thereof,
- (b) Gratuity payable at a rate not exceeding one month's salary for each completed year of service and

(c) Encashment of leave at the end of the tenure. In case of loss or inadequacy of profits of the Company, the aforesaid perquisites shall not be included in computation of the ceiling on remuneration provided in the Act.

D. Non-monetary Benefits:

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

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

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

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

(II) NON-EXECUTIVE DIRECTORS –

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

A. Sitting Fees:

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

B. Commission:

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

C. Professional Fees:

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

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

B) KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL –

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

A. Fixed Salary:

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

B. Variable Pay:

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

C. Perquisites / Other Benefits Perquisites / Other Benefits:

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

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

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

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

C) DIRECTORS AND OFFICERS LIABILITY INSURANCE—

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

D) STOCK OPTIONS—

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

IV CRITERIA FOR EVALUATION OF BOARD:

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

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

V AMENDMENT:

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

For and on behalf of the Board of Directors,

Date: 26th August 2017

Place: Ahmedabad

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

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, companies whose shares are listed on any Stock Exchange in India are required to attach the Corporate Governance Report in its Annual Report. We believe Good Corporate Governance is a sine qua non for the company and hence though the company's shares are not listed with any Stock Exchange, your directors have thought it advisable to follow certain aspects of corporate governance as per Regulation 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a good corporate practice.

1 COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company is of the view that good governance goes beyond good working results and financial propriety and is a pre-requisite to the attainment of excellent performance in terms of stakeholders' value creation. We believe Corporate Governance is an ethically driven business process that is committed to values, aimed at enhancing an organization's brand and reputation. Hence, it is imperative to establish, adopt and follow best corporate governance practices, thereby facilitating effective management and carrying out our business by setting principles, benchmarks and systems to be followed by the Board of Directors ("Board"), Management and all Employees in their dealings with Customers, Stakeholders and Society at large.

2 BOARD OF DIRECTORS:

Composition:-

The Company has a fundamentally strong Board with an optimum mix of Executive and Non- Executive Directors including a Woman Director and 50% (fifty percent) of the Board of Directors are Non- Executive Independent Directors.

As on March 31, 2017, the Board of Directors composition comprises 8 (Eight) Directors of One Executive Chairman cum Managing Director, Three Whole-time Directors and Four Non-Executive Independent Directors. The Board of Directors believes that its current composition is appropriate to maintain independence of the Board of Directors and separate its functions of governance and management.

Board meetings:-

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

During the year under review, the Board of Directors met 5 (five) times (1) 12.05.2016, (2) 26.08.2016, (3) 29.09.2016, (4) 28.12.2016 and (5) 30.03.2017. The necessary quorum was present at all the meetings.

The names and category of Directors on the Board, their attendance at the Board Meetings held during the year and also at the last Annual General Meeting are given below:

Sr. No.	Names of Directors	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships in other Companies#
1	Mr. Rakesh Shah	Executive Director (Chairman & Managing Director)	5	Yes	7
2	Mr. Samir Mankad	Executive Director (CEO & Whole-time Director)	3	Yes	3
3	Mr. Shaishav Shah	Executive Director (Whole-time Director)	3	Yes	6
4	Ms. Raji Shah	Executive Director (Whole-time Director)	3	No	5
5	Mr. Chinubhai Shah	Non-Executive Independent Director	5	Yes	11
6	Mr. Bhalabhai Patel	Non-Executive Independent Director	5	Yes	1
7	Mr. Natwarlal Patel	Non-Executive Independent Director	3	No	8
8	Mr. Sandip Parikh	Non-Executive Independent Director	3	Yes	4

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

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

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

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

Mr. Shaishav Shah Whole-time Director is spouse of Mrs. Raji Shah Whole-time Director.

3 AUDIT COMMITTEE:

Composition & Members of the Committee:-

Your Company has an Audit Committee at the Board level, which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors. The Audit Committee of the Company comprised of four members as on March 31, 2017

During the year, Two Committee Meetings were held on 26.08.2016 and 30.03.2017.

Constitution of the audit committee and attendance details during the financial year ended March 31, 2017 are given below:

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

Brief description of Terms of Reference:

- (i) oversee the financial reporting process
- (ii) recommend the appointment/re-appointment of auditors
- (iii) decide the audit fees, discuss the nature and scope of audit and ascertain area of concern,
- (iv) review the annual and quarterly financial statements
- (v) review the changes in accounting policies etc
- (vi) review the adequacy of internal audit functions and discuss with them significant findings,
- (vii) review the disclosure of related party transactions,
- (viii) Compliance relating to financial statements etc.
- (ix) Scrutiny of Intercorporate Loan and Investment.

4 NOMINATION AND REMUNERATION COMMITTEE:

Composition & Members of the Committee:-

The Nomination and Remuneration Committee of the Company comprise of three members as on March 31, 2017, the composition of which is furnished hereunder:

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

All the committee members were present at the meeting held on 28.12.2016.

The terms of reference of the Nomination and Remuneration Committee are as outlined in the Companies Act, 2013 which inter alia includes following:

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

Performance Evaluation of Independent Directors:

The Performance of the Independent Director is evaluated based on the criteria such as his knowledge, experience, integrity, expertise in any area, number of Board/ Committee meetings attended, time devoted to the Company, his participation in the Board/ Committee meetings etc. The Performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Directors, the Director who was subject to the evaluation did not participate.

Details of remuneration paid to the executive directors for the year ended 31.03.2017 are as below:

₹ in Lacs

Name	Position held During the period	Total Remuneration including perks and benefits
Mr. Rakesh R. Shah	Chairman & Managing Director	36.00
Mr. Samir H. Mankad	CEO & Whole-time Director	25.20
Mr. Shaishav R. Shah	Whole-time Director	22.85
Ms. Raji S. Shah	Whole-time Director	17.09

Service Contract and Notice Period: The appointment of Mr. Rakesh R. Shah as Managing Director, Mr. Shaishav R. Shah and Ms. Raji Shah as Whole Time Directors of the Company is for the 3 years commencing from 01-04-2016 to 31-03-2019, and appointment of Mr. Samir Mankad is for the period of three years commencing from 01-04-2017 to 31-03-2020, terminable by six month notice in writing by either side.

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

Name of Director	Sitting fees paid (In ₹)	No. of Shares held
Mr. Chinubhai Shah	67500/-	Nil
Mr. Bhalabhai Patel	60000/-	Nil
Mr. Natwarlal Patel	30000/-	Nil
Mr. Sandip Parikh	37000/-	Nil

A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board/ Committee attended by him, for which such sum is payable which is within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Besides above, the Company does not pay any other commission or remuneration to its Non-Executive Directors.

The Company did not have any other pecuniary relationship or transactions with the Non-Executive Directors during the period under review.

INDEPENDENT DIRECTORS:

As per the provisions of the Schedule IV of the Companies Act, 2013 the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non Independent Directors. The Independent Directors at their meeting held on 30th March, 2017 has reviewed the performance of the Non Independent Directors (Including the Chairperson) and assessed the quality, quantity and timeliness of the flow of information between the Company and the Management.

The Independent Directors were satisfied with the performance of the Executive Directors of the Company and with the flow of information between the Company and the Management.

5 SHARE TRANSFER AND GRIEVANCES COMMITTEE

Composition & Members of the Committee:-

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

The Share Transfer and Grievances Committee of the Company comprised of three members as on March 31, 2017 the composition of which is furnished hereunder.

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

All the committee members were present at the meeting held on 28.02.2017.

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

No complaints have been received during the year under review.

6 GENERAL BODY MEETINGS:

Annual General Meetings:-

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

Financial year ended	Date	Time	Venue
31-03-2016	29-09-2016	11.30 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009
31-03-2015	29-09-2015	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009
31-03-2014	15-09-2014	11.00 a.m.	Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009

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

Date of the AGM	Subject Matter of the Special Resolution
29.09.2016	Re-appointment of Mr. Rakesh R. Shah as a Chairman and Managing Director of the Company
29.09.2015	No Special Resolution was passed
15.09.2014	Re-appointment of Mr. Rakesh R. Shah as a Chairman and Managing Director of the Company
	Re-appointment of Mr. Samir H. Mankad as a Whole-time Director of the Company
	Authorisation to the Board of Directors for borrowing money u/s 180(1) (c) of the Companies Act, 2013
	Authorisation to the Board of Directors to mortgage/hypothecate the property(ies) of the Company u/s 180(1)(a) of the Companies Act, 2013
	Authorisation to the Board of Directors for making Loans and Advances u/s 186 of the Companies Act, 2013

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

Postal Ballot:- During the year under review, the Company has taken members' approval by way of Postal Ballot for the following business:

Special Resolution: Alteration in Clause III- Object Clause of the Memorandum of Association of the Company.

Details of voting pattern:

Particulars	No. of Equity shares held(A)	No. of Votes polled(B)	% of votes polled on outstanding shares [(C)=(B)/(A)*100]	No. of votes –In favor	No. of votes –In against	% of votes- in favor	% of votes- in against
Promoter and Promoter Group	7356050	7354940	99.98	7354940	Nil	100	Nil
Public-Institutional Holders	Nil	NA	NA	NA	NA	NA	NA
Public-Others	193950	24490	12.63	24490	Nil	100	Nil
Total	7550000	7379430	97.74	7379430	Nil	100	Nil

Mr. Umesh Parikh, Partner of M/s. Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad was appointed as the Scrutinizer for overseeing the postal ballot voting process.

The Company has complied with the procedures for the postal ballot conducted, in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India (Secretarial Standard-2) as amended from time to time. There is no other immediate proposal for passing any resolution by way of postal ballot this year.

7 DISCLOSURES:

In preparation of financial statements, the Company has followed the Accounting Standards as applicable to the Company. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts. Apart from Accounting Standards we have also initiated a good corporate and compliance practice of following certain Secretarial Standard(s) issued by the Institute of Company Secretaries of India.

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

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

8 GENERAL SHAREHOLDER INFORMATION:

Day, Date, time and venue of AGM	Thursday, 28th September, 2017, at 11:30 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries Building, Ahmedabad - 380 009.
Record Date	28th day of September, 2017
Listing on Stock Exchanges	N.A.
Listing Fees	N.A.
ISIN No.	INE825P01010
Stock Exchange's Script Code	N.A.
Dividend Payment Date	Within 30 days of AGM

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

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

(b) Share Transfer System:-

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

(c) Dematerialisation of shares:-

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

10 INVESTORS CORRESPONDENCE:

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

Registered Office	Registrar and Share Transfer Agent
GSEC Limited, 2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad – 380 009. Phone : 079 – 26575757, 079 – 26585757 Fax: 079-26584040 E mail: info@gsecl.co.in	Bigshare Services Private Limited A/802 Samudra Complex, Near Klassic Gold Hotel , Grish Cold Drink Cross Road, Off C G Road, Ahmedabad-380009. Phone: 079-40024135 E mail: bssahd@bigshareonline.com

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

For and on behalf of the Board of Directors,

Date: 26th August 2017

Place: Ahmedabad

RAKESH SHAH
Chairman & Managing Director
(DIN: 00421920)

INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GSEC Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

(Standalone)



Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) As detailed in Note 25(iv) of the notes to the standalone financial statements, the Company has disclosed the impact of pending litigation on its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 08 November, 2016 of the Ministry of Finance, during the period from 08 November, 2016 to 30 December, 2016. Based on audit procedures performed and the representations provided to us by the Management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer to Note 26 to the standalone financial statements.

Place : Ahmedabad
Date : 26th August, 2017

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

CA Bipin Shah
Partner
Membership No. 10712

(Standalone)

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management, in our opinion, is reasonable looking to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
- (C) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by the Management during the year at reasonable interval. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted secured or unsecured loans to companies, limited liability partnership or other parties.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - (C) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantees and security provided by it.
- (v) The Company has not accepted any deposits from the public within meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder to the extent notified.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and information and explanation given to us, following statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.

(Standalone)

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (In Lacs)
Customs Act, 1962	Custom Duty	Appellate Authority up to Commissioner Level	2011-12	310.26
VAT Act, Gujarat	Value Added Tax	Tribunal	2007-08 and 2008-09	862.39
Service Tax	Service Tax on Exempted Income	Additional Commissioner, Service Tax - Ahmedabad	2009-10 to 2012-13	39.02
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2009-10	1.62
Income Tax	Income Tax (Assessment)	CIT (Appeals)	2011-12	14.21

Company has transferred amount of ₹ 23,180/- to the Investor Education and Protection Fund in accordance with the provisions of Companies Act, 1956 during the year.

- (viii) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or bank or Government during the year. The Company has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term Loans have been applied for the purpose for which they were obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares, fully or partially convertible debentures during the year under review. Accordingly the provisions of paragraph 3(xiv) of the order are not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of 3(xvi) of the Order are not applicable.

Place : Ahmedabad
Date : 26th August, 2017

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

CA Bipin Shah
Partner
Membership No. 10712

(Standalone)



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of GSEC Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

(Standalone)

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ahmedabad
Date : 26th August, 2017

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

CA Bipin Shah
Partner
Membership No. 10712

(Standalone)

Balance Sheet as at 31st March, 2017

₹ In Lacs

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	755.00	755.00
(b) Reserves and Surplus	2	1,868.16	1,694.40
2 Share Application Money pending allotment		-	-
3 Non-current Liabilities			
(a) Long-Term Borrowings	3	180.57	189.61
(b) Other Long Term Liabilities	4	18.84	0.89
4 Current liabilities			
(a) Short-Term Borrowings	5	1,339.61	1,467.33
(b) Trade Payables	6	838.40	2,789.35
(c) Other Current Liabilities	7	345.11	363.83
(d) Short-Term Provisions	8	87.34	60.50
TOTAL		5,433.03	7,320.92
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	1,628.34	1,497.35
(b) Non-Current Investments	10	303.89	303.89
(c) Deferred Tax Assets (Net)		80.06	82.16
(d) Long-Term Loans and Advances	11	208.63	187.42
(e) Other Non-Current Assets		-	-
2 Current Assets			
(a) Current Investments	12	255.00	-
(b) Inventories	13	10.02	10.02
(c) Trade Receivables	14	857.58	3,080.13
(d) Cash and Bank Balance	15	1,022.71	718.71
(e) Short-Term Loans and Advances	16	1,050.43	1,435.44
(f) Other Current Assets	17	16.38	5.80
TOTAL		5,433.03	7,320.92
Significant Accounting Policies & Other Notes on Financial Statements	24		

As per our attached report of even date

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

CA Bipin Shah
Partner
Membership No. 10712

Place : Ahmedabad
Date : 26th August, 2017

For and on behalf of Board of Directors

Rakesh Shah
Chairman & Managing Director
(DIN: 00421920)

Samir Mankad
CEO & Whole-time Director
(DIN: 00421878)

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

Place : Ahmedabad
Date : 26th August, 2017

(Standalone)



Statement of Profit and Loss for the year ended 31st March, 2017
₹ In Lacs

Particulars	Note No.	2016-17	2015-16
I. Revenue from Operations			
Sale of Traded Goods (Gross)		33260.17	28892.66
Less : Excise Duty		-	-
Sale of Trading Goods (Net)		33260.17	28892.66
Sale of Services		2975.17	2373.21
Other Operating Revenues	18	202.51	156.66
II. Other Income	19	166.24	394.03
III. Total Revenue (I + II)		36604.09	31816.56
IV. Expenses:			
Purchase of Traded Goods		33234.39	29152.56
Changes in Inventories of Stock-in Trade	20	-	61.40
Employee Benefits Expense	21	370.08	322.13
Finance Costs	22	235.31	205.01
Depreciation and Amortization Expense		246.85	269.41
Other Expenses	23	2183.42	1526.92
Total Expenses		36270.05	31537.43
V. Profit Before Exceptional Items And Tax (III-IV)		334.04	279.14
VI. Exceptional Items		-	-
VII. Profit before tax (V- VI)		334.04	279.14
VIII. Tax Expense:			
(1) Current Tax		112.70	90.00
(2) Deferred Tax		2.11	(21.52)
(3) Tax Adjustment of Earlier Years		0.02	4.68
IX Profit for the Year(VII-VIII)		219.21	205.97
X Earnings Per Equity Share (in ₹)		2.90	2.73
Significant Accounting Policies	24		
The Accompanying Notes are Integral Parts of the Financial Statements			

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

CA Bipin Shah
Partner
Membership No. 10712

Place : Ahmedabad
Date : 26th August, 2017

For and on behalf of Board of Directors
Rakesh Shah
Chairman & Managing Director
(DIN: 00421920)

Samir Mankad
CEO & Whole-time Director
(DIN: 00421878)

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

Place : Ahmedabad
Date : 26th August, 2017

(Standalone)

Cash Flow Statement for the year ended 31st March, 2017

₹ In Lacs

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	334.04	279.14
Adjustments For :		
Depreciation	246.85	269.41
Interest Paid	235.31	205.01
Interest received	(75.61)	(72.59)
(Profit)/Loss on Sale of Investments	-	(73.81)
Bad Debts written off	336.68	-
(Profit)/Loss on Sale of Fixed Assets	(24.07)	(15.30)
Dividend Received	(2.14)	(2.98)
Profit on Redemption of Mutual Fund	-	(30.02)
Interest on I.T.Refund	-	(2.27)
Operating Profit before working capital changes	1051.00	556.59
Movements in working capital		
Adjustment for Decrease (Increase) in operating assets		
Increase/Decrease in Trade and other Receivables	1885.86	(2380.29)
Increase/Decrease in Short Term Loans and Advances	385.01	(464.14)
(Decrease) in Short Borrowings	(127.72)	(1055.16)
(Decrease) Trade Payables	(1950.95)	2393.48
Decrease/(Increase) in other Current Assets	(10.57)	0.26
Decrease in Short Term Provisions	(18.62)	3.73
(Decrease) in other Current Liabilities	(18.72)	186.95
Increase in Current Investments	(255.00)	-
(Increase) in Inventories	-	61.40
Net Cash Flow from Operating Activities before tax and Exceptional Items (A)	(110.71)	(1253.77)
Taxes Paid	(97.04)	(74.74)
Net cash generated from operating activities before exceptional items	843.25	(771.92)
Exceptional Items	-	-
Net cash generated from operating activities	843.25	(771.92)
CASH FLOW FROM INVESTING ACTIVITIES:		
Increase in Margin Money	(36.52)	-
Purchase of Fixed Assets	(409.62)	(560.53)
Sale Proceeds of Fixed Assets	55.84	51.30
Interest received	75.67	72.59
Dividend Received on Investments	2.14	2.98
Purchase of Investments	-	(91.03)
Sale of Investments	-	368.15
Long Term Loans and Advances	(36.87)	380.02
Decrease in Fixed Deposit	-	(183.06)
Net cash flow from investing activities	(349.36)	40.42

(Standalone)

Cash Flow Statement for the year ended 31st March, 2017(Contd.)

₹ In Lacs

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowing from Companies	-	182.01
Other Long Term Loans and Advances	8.73	16.76
Increase in unclaimed Dividend	-	0.57
Working Capital Borrowings from Banks	-	757.29
Interest paid	(235.31)	(205.01)
Long term Liabilities	-	(126.25)
Net cash flow from financing activities	(226.58)	625.37
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	267.31	(106.14)
Cash and cash equivalents at the beginning of the year	86.12	192.26
Cash and cash equivalents at the end of the year	353.43	86.12

As per our attached report of even date

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

CA Bipin Shah
Partner
Membership No. 10712

Place : Ahmedabad
Date : 26th August, 2017

For and on behalf of Board of Directors

Rakesh Shah
Chairman & Managing Director
(DIN: 00421920)

Samir Mankad
CEO & Whole-time Director
(DIN: 00421878)

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

Place : Ahmedabad
Date : 26th August, 2017

(Standalone)

Notes on Financial Statements for the year ended 31st March, 2017

1. Share Capital

₹ In Lacs

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10 each	10,030,000	1,003.00	10,030,000	1,003.00
Issued				
Equity Shares of ₹ 10 each	7,550,000	755.00	7,550,000	755.00
Subscribed & fully Paid up				
Equity Shares of ₹ 10 each	7,550,000	755.00	7,550,000	755.00
Total	7,550,000	755.00	7,550,000	755.00

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

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

₹ In Lacs

Particulars	Equity Shares			
	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,550,000.00	755.00	7,550,000.00	755.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	7,550,000.00	755.00	7,550,000.00	755.00

1.3 Terms/rights attached to equity shares:

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

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

Particulars	Nature of Relationship	As at 31st March, 2017	As at 31st March, 2016
Komal Infotech Private Limited	Holding Company	4,783,910	4,783,910

1.5 Details of Shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Ltd.	4,783,910	63.36	4,783,910	63.36
Priti R. Shah	1,447,670	19.17	1,447,670	19.17
Rakesh R. Shah	636,090	8.43	636,090	8.43
Shaishav R. Shah	487,270	6.45	487,270	6.45

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

(Standalone)

2. Reserves & Surplus

₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Securities Premium Account		
As per Last Balance Sheet	337.00	337.00
b. General Reserves		
As per Last Balance Sheet	168.23	168.23
c. Surplus/Deficit in statement of Profit and Loss		
As per Last Balance Sheet	1,189.16	1,028.63
Add : Profit For the Year	219.21	205.97
Less: Proposed Dividend	37.75	37.75
Less: Tax on Proposed Dividend	7.69	7.69
	1,362.93	1,189.17
Total	1,868.16	1,694.40

Non-current Liabilities
3. Long-term Borrowings

₹ In Lacs

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Secured Loans				
Term loans				
Rupee Loan				
-From Others	180.57	189.61	138.83	149.69
(All above Vehicle loans are secured against Hypothecation of Vehicles)				
	180.57	189.61	138.83	149.69
Amount disclosed under the head *Other Current Liabilities (Refer Note - 7)	-	-	138.83	149.69
Total	180.57	189.61	138.83	149.69

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

(Standalone)

Non Current Liabilities

4. Other Long Term Liabilities

₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Payable		
Due to Micro & Small Enterprise	18.84	-
Due to Others	-	0.89
Total	18.84	0.89

Current Liabilities

5. Short-term Borrowings

₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Secured Loans		
Working capital facilities from State Bank of India	128.46	838.22
Working capital facilities from DCB Bank Limited. (Secured against hypothecation of entire Stocks/Receivables & other Current Assets of the Company (both present and future on pari passu basis with the Banks & Personal Guarantee of Directors & their relatives)	109.68	346.77
	238.14	1,184.99
b) Unsecured Loans		
(i) Loans from Related Parties		
Komal Infotech Pvt Ltd	928.22	41.59
GSEC Aviation Ltd	10.65	208.18
Kalpavruksha Estate and Finance Pvt. Ltd.	73.42	-
Komal Infrastructure Pvt. Ltd.	19.88	-
	1,032.17	249.77
(ii) Deposits		
Director's Deposit	69.30	32.57
	1,101.47	282.34
Total	1,339.61	1,467.33

6. Trade Payables
₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Payables - For Expenses	208.35	224.46
Others - For Purchases	630.05	2,564.89
Total	838.40	2,789.35

7. Other Current Liabilities
₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Current Maturities of long-term debt (Refer Note-3)	138.83	149.69
(b) Unclaimed dividends	3.61	3.45
© Statutory Dues Payables	41.66	38.74
(d) Trade/Security Deposit	12.58	1.10
(e) Advance from Customers	131.38	146.22
(f) Provision for bonus	16.12	12.49
(g) Other Liabilities	0.93	12.13
Total	345.11	363.83

(Standalone)

8. Short-term Provisions

₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Provision for employee benefits*		
Gratuity (Funded)	5.56	3.51
Leave Encashment (Unfunded)	12.91	11.26
	18.47	14.77
(b) Other Provision		
Proposed Dividend	37.75	37.75
Tax on Proposed Dividend	7.69	7.69
Others	23.43	0.29
	68.87	45.73
Total	87.34	60.50

* Long Term and Short Term classification is done based on actuarial valuation certificate.

9. Fixed Assets

₹ In Lacs

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at April 1, 2016	Additions/ (Disposals)	Deductions/ Adjustments	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation charge for the year	On disposals	Balance as at March 31, 2017	Balance as at March, 2017	Balance as at March, 2016
a. Tangible Assets (Not Under Lease)										
Land - Freehold	20.93	-	-	20.93	-	-	-	-	20.93	20.93
Buildings	1018.40	87.63	-	1,106.03	198.99	40.69	-	239.68	866.35	819.41
Plant and Equipment	265.75	149.19	-	414.94	133.17	27.72	-	160.89	254.05	132.58
Furniture and Fixtures	317.04	33.40	-	350.44	218.46	28.71	-	247.17	103.27	98.58
Vehicles	564.50	105.70	89.52	580.68	247.28	95.34	57.75	284.87	295.81	317.22
Office Equipment	442.88	12.60	-	455.48	361.78	35.39	-	397.17	57.31	81.10
Computers	116.49	11.33	-	127.82	97.18	12.51	-	109.69	18.13	19.32
A.C Machines & Plant	45.92	9.70	-	55.69	37.71	6.49	-	44.20	11.49	8.21
Total	2,791.91	409.62	89.52	3,112.01	1,294.56	246.85	57.75	1,483.67	1,628.34	1,497.35
Previous Year	2,393.56	560.52	162.17	2,791.91	1,151.32	269.41	126.17	1,294.56	1,497.35	-

(Standalone)

10. Non-current Investments

₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Investments (Valued At Cost)		
Unquoted Investments:		
Non Traded Unquoted, fully paid-up In Wholly Owned Subsidiaries		
50,000 Equity Shares of GSEC Logistics Limited of Rs. 10 each (P.Y.50,000 Shares)	5.00	5.00
10,000 GSEC Green Energy Private Limited of Rs. 10 each (P.Y. 10000 Shares)	1.00	1.00
	6.00	6.00
Traded Quoted Investments:		
23,925 Equity Shares fully paid up of Re. 1 each of Adani Enterprises Limited* (P.Y.28,925 Shares of Re. 1 Each)	22.74	22.74
23,925 Equity Shares fully paid up of Re. 1 each of Adani Transmission Limited (P.Y.NIL)	17.30	17.30
33,789 Equity Shares fully paid up of Re. 1 each of Adani Port Special Economic Zone Limited (P.Y.NIL)	10.18	10.18
44,490 Equity Shares fully paid up of Re. 1 each of Adani Power Limited (P.Y.NIL)	26.42	26.42
500 Equity Shares fully paid up of Rs. 10/-each of Reliance Industries Limited (P.Y. 500 Shares of Rs. 10 each))	3.88	3.88
5,750 Equity Shares fully paid up of Rs. 10/- each of Tata Steel Limited (P.Y. 5,750 Shares of Rs. 10 each)	24.81	24.81
10,000 Equity Shares fully paid up of Rs. 2/- each of AXIS Bank Limited (P.Y. 10000 Shares)	40.36	40.36
10,000 Equity Shares fully paid up of Re.1/- each of State Bank of India Limited (P.Y. 10000 Shares)	29.99	29.99
25,000 Equity Shares fully paid up of Re.1/- each of Cadila Healthcare Limited (P.Y. 0 Shares)	79.30	79.30
1,00,000 Equity Shares fully paid up of Re.1/- each of Neela Infrastructure Limited (P.Y. 0 Shares)	11.72	11.72
250 Equity Shares fully paid up of Rs. 10 each of GNFC Limited (P.Y. 250 Shares)	0.05	0.05
100 Equity Shares fully paid up of Re. 10 each of PAN India Corporation Limited (P.Y. 1000 Shares)	0.01	0.01
5 Equity Shares fully paid up of Re. 1 each of Pentamedia Graphic Limited (P.Y. 5 Shares)	0.00	0.00
13700 Equity Shares fully paid up of Re. 1 each of Enrich Industries Limited (P.Y. 13700 Shares)	0.69	0.69
UNQUATED INVESTMENTS		
667 Equity Shares of GITCO OF Rs.100 each (P.Y. 667 Shares)	0.67	0.67
Investments in Government Securities-Unquoted		
7 Years National Savings Certificates (Deposited with Mamlatdar Gandhidham)	0.10	0.10
7 Years National Savings Certificates (Deposited with Governer of Karwar)	0.20	0.20
15000 Equity Shares of Kalupur Commercial Co.Op. Bank Limited of Rs. 25/- each (P.Y. 15000 Shares)	3.75	3.75
	272.17	272.17
INVESTMENT IN PROPERTY		
BLOCK D - SILVER ARC APARTMENT	25.72	25.72
Total	303.89	303.89
Aggregate amount of Unquoted Investments	6.67	6.67
Aggregate amount of Quoted Investments (Market Value)	414.27	304.28

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

(Standalone)

Non-current Assets

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

₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Capital Advance	30.00	30.00
Deposit and Balance with Government Authorities	4.11	4.11
Deposit with Others	20.22	33.72
Advance Income Tax (Net of Provisions)	42.40	42.42
Other Loans and Advances	111.90	77.17
Total	208.63	187.42

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

Current Assets

12. Current Investments

₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Investment in Mutual Fund		
PRINCIPAL MUTUAL FUND	250.00	-
SBI MAGNUM INSTA CASH FUND - LIQUID FLOATER	5.00	-
	255.00	-

Current Assets

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

₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trading Goods	10.02	10.02
Total	10.02	10.02

Current Assets

14. Trade Receivables

₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured- Considered good		
Outstanding for period exceeding six months	147.13	623.27
Other Receivables	710.45	2,456.86
	857.58	3,080.13
Unsecured, considered doubtful		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
	-	-
Less: Provision for doubtful debts	-	-
Total	857.58	3,080.13

(Standalone)

Current Assets
15. Cash & Cash Equivalents
₹ In Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
(I) Cash & Cash Equivalents		
Cash On Hand	3.36	2.24
Balances with Banks		
- In Current Accounts	350.07	83.89
(II) Other Bank Balance		
- In Fixed Deposit Accounts as Margin Money against Bank Guarantee (Maturity more than 3 Months but less than 12 Months)	665.69	629.17
-Unpaid Dividend Accounts	3.59	3.42
Total	1,022.71	718.71

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

Short term loans and Advances	As at 31st March, 2017	As at 31st March, 2016
Loans and Advances to Related Parties	581.30	578.99
Loans to Employees	8.52	7.03
Prepaid Expenses	86.04	101.77
Balances with Government Authorities		
Service Tax Credit Receivable	50.80	47.21
Sales Tax Credit Receivable	25.00	27.66
Entry Tax	-	3.45
Inter Corporate deposits (Metro Global Limited)	-	550.00
Other Loans and Advances	298.77	119.34
Total	1050.43	1435.44

Current Assets
17. Other Current Assets (Unsecured and Considered Good)
₹ In Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest accrued but Not Due	15.77	5.19
Investment in Silver Coins	0.61	0.61
Total	16.38	5.80

(Standalone)

18. Other Operating Revenues

₹ In Lacs

Particulars	2016-17	2015-16
Auction Sale	0.51	6.66
Commission Income	150.00	-
Consultancy income	52.00	-
Compensation on Contract Cancellation	-	150.00
Total	202.51	156.66

19. Other Income

₹ In Lacs

Particulars	2016-17	2015-16
Interest Income :		
- Interest on Bank Deposits	75.67	72.59
- Interest on I.T. Refund	-	2.27
- Interest on Sales Tax Refund	17.13	-
Other non-operating income :		
Dividend Income From Non- Current investments	2.13	2.98
Profit on Sale of Mutual Fund	-	30.02
Profit on Sale of Fixed Assets	24.07	15.30
Profit on sale of Traded Investments	-	73.81
Foreign Exchange Difference	5.55	0.52
Bad Debts Recover Account	4.75	1.50
Excess Provision for Earlier Year	1.87	1.15
Duty Drawback	0.47	-
Misc. Income	2.06	17.19
Misc./Dr./Cr. Balance Written Back	-	176.71
Rate Difference	0.25	-
Kasar/Discount	0.77	-
Other Income	27.28	-
Rent Income	4.24	-
Total	166.24	394.03

20. Change in Inventories of Finished Goods

₹ In Lacs

Particulars	2016-17	2015-16
Inventories (At Close)		
Finished Goods / Stock in Trade	10.02	10.02
Inventories (At Commencement)		
Finished Goods / Stock in Trade	10.02	71.42
Total	0.00	61.40

21. Employee Benefits Expense

₹ In Lacs

Particulars	2016-17	2015-16
(a) Salaries and Incentives	231.58	201.81
(b) Remuneration to Directors	101.14	75.17
(c) Contributions to -		
(i) Superannuation Scheme	12.50	11.82
(ii) Gratuity Fund	5.78	3.98
(d) Staff Welfare Expenses	19.08	29.35
Total	370.08	322.13

(Standalone)

22. Finance Costs

₹ In Lacs

Particulars	2016-17	2015-16
Interest Expense	148.90	106.82
Bank Charges	3.64	20.36
Other Borrowing Costs (Bank commission/Bank Charges)	82.77	77.82
Total	235.31	205.01

23. Other Expenses

₹ In Lacs

Particulars	2016-17	2015-16
Rent and License Fees	318.06	213.24
Land Lease Rent for Guest House	7.45	6.85
Rates and Taxes	3.15	3.15
Insurance	34.17	17.35
Employer/Employee Insurance	162.90	112.75
Electricity	57.57	67.65
Stationery and Printing	7.15	5.80
Postage and Telephone	15.39	15.97
Repair & Maintenance Charges		
- Building	234.23	210.76
- Others	2.23	4.13
Auditors Remuneration:		
- Audit Fee	1.44	0.86
- Tax Audit Fee	0.17	0.17
Professional Fees and Legal Expenses	55.16	37.97
Vehicle & Conveyance Expenses	23.72	18.92
Advertisement & Publicity Expenses	115.46	10.23
Travelling Expenses	95.81	134.18
Guest House Expenses	15.79	13.35
Miscellaneous Expenses	64.42	64.60
Director fees & travelling	2.15	1.24
Sales Promotion	39.41	91.75
Security Expenses	45.58	46.41
Royalty	436.14	318.62
Packing Materials	6.10	26.39
Donation	18.72	14.79
Bad Debts Written Off	334.82	39.81
Misc. Dr/Cr/Written off	1.76	10.70
Commission and Agency Commssion	26.15	15.00
Deputation Charges to Custom Department	34.00	21.59
Cargo Handling Expenses	24.21	0.10
Discount/Rate Difference Expenses	-	2.00
Prior Period Expenses	-	0.56
Advances Written Off	0.11	-
Total	2,183.42	1,526.92

(Standalone)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

The Company and Nature of its Operations:

GSEC Limited, (CIN: U52100GJ1965PLC001347) which was a Government Company formerly known as Gujarat State Export Corporation Limited, is primarily engaged in the activities of Export - Import facilities and trading business. The Company is custodian of Air Cargo Complexes at Ahmedabad, Indore, Raipur and Visakhapatnam. At Raipur it operate the Air Cargo Complex under common user domestic air cargo terminal (CUDCT). At Visakhapatnam, it operates under an Operations and Maintenance Arrangement with Andhra Pradesh Trade Promotion Corporation Limited (APTPC). Recently company awarded with contract for Operations and Marketing of International Air Cargo Complex at Vishakhapatnam from ANDHRA PRADESH TRADE PROMOTION CORPORATION LIMITED (APTPC). The Company also deals in trading of various including but not limited to Bitumen, Dyes, Chemicals, Caster oil, Textile and Petroleum Products etc.

NOTE 24: NOTES FORMING PART OF ACCOUNTS

I. Significant Accounting Policies:

1. Basis for preparations of financial statements:

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

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

2. Method of Accounting:

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

3. Fixed Assets:

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

4. Depreciation:

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

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

5. Investments:

Long term investment is stated at Cost of Acquisition. Provision for diminution in the value of Long Term Investment is made only if such decline is other than temporary.

Current investment are carried at the lower of cost and Quoted / Fair value on an individual basis.

6. Inventories:

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

7. Sales:

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

8. Taxes on income:

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

9. Foreign Currency Transaction:

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

10. Retirement Benefits:

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

(Standalone)

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

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

NOTE:25 OTHER NOTES FORMING PART OF ACCOUNTS:

- (i) Details of Payments to Auditor

Particulars	₹ In Lacs	
	2016-17	2015-16
a. To Auditors	1.61	1.01
b. For Taxation Matters	-	-
c. Certification (Included in Fees and Legal Expenses)	-	-
Total	1.61	1.01

- (ii) Salaries and wages of ₹ 101.14 Lacs (Previous Year ₹ 75.17 Lacs) being the remuneration to Executive Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 197 read with Schedule V of the Companies Act, 2013.

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

- (iv) Contingent Liabilities not provided for

- Claims against the company not acknowledged as debt of ₹ 92.86 Lacs (Previous Year ₹ 22.86 Lacs)
- Bank Guarantee issued to Customs Department – Ahmedabad of ₹ 2974 Lacs (Previous Year ₹ 2135 Lacs)
- Higher demand of ₹ 34.76 Lacs including Interest for non-payment of the demand raised by The Airport Director, Indore for Hanger Rent for the period from 01.04.2008 to 20.06.2013, as the Company has sought to reverse this amount on the basis of similar earlier reversal. The agreement for renewal of air cargo complex license which was due on 23.11.2011 is also not executed, pending Resolution of this dispute. However the work at Air Cargo Complex – Indore continues and Company has deposited ₹ 35 Lacs in 2013-14 under protest.
- Demand raised in 2012-13 by Directorate of revenue intelligence for short payment of Custom Duty for Import of Bitumen at various ports of ₹ 310.26 Lacs. As the custom department has adopted the value declared for imports is lower than the market value. The company has objected the above demand raised in show cause notice, hence no provision has been made in the books of accounts..
- Demand raised in 2012-13 by The Asst. Commissioner of Commercial Tax, Flying Squad – Ahmedabad of ₹ 887.39 Lacs for not allowing input credit of VAT on the purchases of Drinking Water Plant/Water Treatment Plant for the year 2007-08 and 2008-09, as the supplier from whom the purchases have been made have not paid the Vat tax collected from the company. As the company has preferred an appeal before higher authorities no provision in the account have been made. However, the Company has deposited ₹ 25 Lacs under protest.
- The Additional Commissioner Service Tax, Ahmedabad has raised the demand of ₹ 39.02 Lacs for the year 2009-10 to 2012-13 on 16.09.2014 for non-payment of Service Tax on rendering services on Cold Storage activities which is partly exempt/chargeable at lower rate. As the Company has not accepted the above demand fully and hence no provision in the books of Accounts has been made. However Company has deposited ₹ 14.07 Lacs under protest.

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

Employees Benefits: Defined Benefits Plans as per Actuarial Valuation on March 31, 2017.

₹ In Lacs

Sr.No.	Particulars	Gratuity		Leave Encashment	
		31-03-2017	31-03-2016	31-03-2017	31-03-2016
1.	The amounts recognized in the Balance Sheet as at the end of the year				
	• Present Value of Funded Obligation	(51.90)	(43.82)	--	--
	• Fair Value of Plan Assets	46.34	40.31	--	--
	• Present Value of Unfunded Obligation	--	--	(12.91)	(11.26)
	• Net(Assets)/liability	(5.56)	(3.51)	(12.91)	(11.26)
2.	The amounts recognized in Profit and Loss Account for the year				
	• Current Service Cost	4.68	4.38	1.31	1.11
	• Interest Cost	0.28	0.01	0.90	0.81
	• Expected Return on Plan Assets	--	-	--	--
	• Actuarial (Gains)/Losses	2.87	(0.39)	1.68	(0.75)
	• Actual Return on Plan Assets	--	--	--	--
	• Total Expenses	7.38	3.99	--	--
3.	The Changes in Obligations during the year				
	• Present value of Defined benefit Obligation at the beginning of the year	43.82	41.70	11.26	10.90
	• Current Service Cost	4.68	4.38	1.31	1.11
	• Interest Cost	3.49	3.33	0.90	0.81
	• Actuarial (Gains)/Losses	2.70	(0.60)	1.68	(0.75)
	• Benefit Payments	(2.79)	(4.99)	(2.24)	-
	• Present value of Defined Benefit Obligation at the end of the year	51.90	43.82	12.91	11.26
4.	The changes in Plan Assets during the year				
	• Plan Assets at the beginning of the year	40.31	41.65	--	--
	• Actuarial gains and (losses)	(0.17)	(0.21)	--	--
	• Contribution by Employer	5.78	0.54	--	--
	• Actual Benefit Paid	(2.79)	(4.99)	--	--
	• Plan assets at the end of the year	46.34	40.31	--	--
	• Actual return on Plan Assets	3.22	3.33	--	--

Sr.No.	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
5.	Actuarial Assumption :		
	Discount Rate	7.29%	7.29%
	Turnover Rate	--	--
	Mortality		
	Salary Escalation Rate	7%	7%
	Retirement age	58 Years	58 Years

(Standalone)

(vi) Related Party Disclosure:

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

A. List of Related Parties & Relationship

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

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

Nature of Transaction	Holding Company	Subsidiary Company		Fellow Subsidiary Sister Company	Other Related parties	Relative of Director	Key Management Personnel			
		Komal Infotech Pvt. Limited	GSEC Logistics Ltd				GSEC Green Energy Pvt. Limited	GSEC Aviation Limited	Kalpavruksha Estate And Finance Private Limited	Priti R. Shah
Rent Paid	0	0	0	0	0	23.06	0	2.74	0	0
Interest Paid	31.94	0	0	8.35	0.47	0	7.89	1.13	0	0
Interest Received	0	0	0	0	0	0	0	0	0	0
Remuneration	0	0	0	0	0	0	36.00	22.85	25.20	17.09
Advance Outstanding	(928.22)	373.67	197.37	(11.00)	(73.42)	0	(66.96)	(2.34)	0	0
Loan Taken	3173.00	0	0	182.64	218.00	0	569.00	195.00	0	0
Loan Granted	0	3.81	1.44	0	0	0	0	0	0	0
Loan Repaid	2315.11	0	0	387.34	145.00	0	519.13	216.26	0	0
Loan Repaid by	0	0	10.00	0	0	0	0	0	0	0

(Standalone)

(vii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2017 amounting to (₹ 2.10) Lacs (₹ 21.52 Lacs for 2015-16) has been arrived at as follows.

₹ In Lacs

Deferred Tax Assets arising from	2016-17	2015-16
Expenses charged in the financial Statement but allowable for tax purpose when paid in future years		
Depreciation	3.23	24.01
Gratuity & Leave Encashment	1.42	1.53
Bonus Provision	1.20	2.45
Others	(7.95)	(6.47)
Net Deferred Tax Assets/(Liability)	(2.10)	21.52

The tax impact for the above purpose has been arrived by applying a tax Rate of 33.063% being the prevailing tax rate for Indian companies under the Income Tax Act, 1961. Based on the management's estimate; the company would have sufficient Taxable Income in future to utilize credit available under the Income Tax Act, 1961.

(viii) Earning Per Share (EPS)

₹ In Lacs

Particulars	2016-17	2015-16
Net profit/(Loss) after Tax	219.21	205.97
Number of Equity Share	7550000	7550000
Nominal Value of Equity Share	10.00	10.00
Basic & Diluted Earning Per Share (In ₹)	2.90	2.73

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

₹ In Lacs

Particulars	2016-17	2015-16
a. C.I.F. value of imports of:		
Trading Goods	1107.35	-
Spare parts	-	-
Capital Goods	137.80	42.89
b. Expenditure in Foreign Currency:		
on Foreign Travel	33.23	67.06
c. Expenditure in Foreign Currency:		
on purchase of capital items	-	-
d. Consumption of:		
i. Raw Materials	-	-
ii. Store and Spares Parts	-	-
e. Remittance in Foreign Currency		
On accounts of Agency Commission	-	-
f. Earning in Foreign Exchange		
Value of Goods Exported)	-	-

(x) As per the requirement of Schedule III of the Companies Act, 2013, the amounts of financial statements have been rounded off to the nearest lacs of Rupees. Hence, the differences in total and sub-total of some items are inevitable.

(Standalone)

NOTE NO. 26 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes (i.e. as provided in the notification no. S.O. 3407(E), dated 8th Nov, 2016 issued by the Government of India) or other denomination note as defined in the MCA notification G.S.R. 308 (E) dated 31st March, 2017, on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

			Amount in ₹
For the period ended	SBNs	Other denomination Notes	Total
Closing Cash in hand as on 8th November, 2016	276500	571585	348085
(+) Permitted Receipt	-	1788983	1788983
(-) Permitted Payment	-	680116	680116
(-) Amount deposited in Bank	-	987745	987745
Closing Cash in hand as on 30th December, 2016	-	-	469207

NOTE NO. 27 Dividend Declaration for the year 2016-17

The Board has recommended dividend of ₹ 0.50/- Paise Per Equity share of ₹ 10/- each i.e. 5 % (P.Y. ₹ 0.50/- Paise per Equity share i.e. 5%) for the year ended 31st March, 2017 subject to the approval of the shareholders at the Annual General Meeting.

In pursuance to amended Companies (Accounting Standards) Rules, 2016 effective financial year 2016-17 and revised Accounting Standard-4 on "Contingencies and Events occurring after Balance Sheet Date", the proposed dividend of ₹ 37.75 Lacs and taxes of ₹ 7.69 Lacs thereon are not recognized as liability in the annual accounts of the financial year ending March, 31 2017.

28. 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, 2017

	(₹ In Lacs)					
	Cargo Handling Service		Trading Activities		Total	
	2016 -17	2015 -16	2016 -17	2015 -16	2016 -17	2015 -16
A. Revenue						
Services/Sales Revenue	2975.17	2373.21	33465.68	28899.32	36440.85	31422.53
Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	2975.17	2373.21	33465.68	28899.32	36440.85	31422.53
B. Result						
Segment Result Profit/Loss	2975.17	2373.21	228.29	(164.64)	3203.46	2208.57
Other Income excluding Interest Income					73.44	319.17
Other Unallocable Expenses					2800.35	2118.46
Operating Profit					476.55	409.28
Interest Income					92.80	74.86
Interest Expenses					235.31	205.01
Profit Before Tax					334.04	279.13
Provision For Income Tax (including Deferred Tax)					114.83	73.16
Net Profit					219.21	205.97
C. Other Information						
Capital Employed						
Segment Assets	2378.98	2129.42	2495.16	4887.61	4874.14	7017.03
Segment Liabilities	269.62	312.84	1038.40	2701.72	1308.02	3014.56
Other Unallocable Corporate Assets and Liabilities	0.00	0.00			(897.51)	(1553.06)
Total Capital Employed					2668.61	2449.41
Capital Assets/Expenditure including Capital Work - in Progress incurred during the Year	340.50	272.34	69.12	288.18	409.62	560.52
Other Unallocable Capital Expenditures	0.00	0.00	0.00	0.00	0.00	0.00
Total	340.50	272.34	69.12	288.18	409.62	560.52
D. Segment Depreciation	175.47	184.39	71.38	85.02	246.85	269.41
E. Non Cash Expenses other than Depreciation	0.00	0.00	334.82	39.81	334.82	39.81

As per our attached report of even date

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

C A Bipin Shah
Partner
Membership No. 10712

Place : Ahmedabad
Date : 26th August, 2017
(Standalone)

For and on behalf of Board of Directors

Rakesh Shah
Chairman & Managing Director
(DIN: 00421920)

Samir Mankad
CEO & Whole-time Director
(DIN: 00421878)

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

Place : Ahmedabad
Date : 26th August, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of GSEC Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GSEC Limited (hereinafter referred to as "the Holding Company") and its subsidiary (The holding company and its subsidiary together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Opinion

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

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

(Consolidated)

Report on other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion proper books of account as required by law maintained by holding company, its subsidiary included in the group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and subsidiary.
- c) Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group, including relevant records relating to the preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of its subsidiary, none of the directors of the Group company, is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the holding Company and the subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The company does not have any pending litigations which would impact on the financial statements of the company.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) In the consolidated financial statements, holdings as well as dealings in Specified Bank Notes during the period from 8th November' 2016 to 30th December' 2016, by the Holding Company and its subsidiaries has been requisitely disclosed, on the basis of information available with the Company. Based on our audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Holding company and its subsidiaries and as produced to us by the Management and reports of the other auditor. Refer Note 26 of consolidated financial statements.

**For, BJS & Associates
Chartered Accountants
FRN: 113268W**

**Place : Ahmedabad
Date : 26th August, 2017**

**CA BIPIN SHAH
Partner
Membership number: 10712**

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of GSEC Limited (hereinafter referred to as "the Holding Company"), its subsidiary company which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

(Consolidated)

Opinion

In our opinion, the Holding Company and its subsidiaries, which are incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, BJS & Associates
Chartered Accountants
FRN: 113268W

Place : Ahmedabad
Date : 26th August, 2017

CA BIPIN SHAH
Partner
Membership number: 10712

Consolidated Balance Sheet as at 31st March, 2017

Particulars	Note No.	₹ in Lacs	
		As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	755.00	755.00
(b) Reserves and surplus	2	1773.61	1628.53
2 Share Application Money pending allotment		-	-
3 Minority Interest		-	-
4 Non-current Liabilities			
(a) Long-term borrowings	3	329.74	338.78
(b) Other Long term liabilities	4	18.84	0.89
5 Current liabilities			
(a) Short-term borrowings	5	1422.48	1550.25
(b) Trade payables	6	849.90	2797.54
(c) Other current liabilities	7	349.98	368.87
(d) Short-term provisions	8	87.32	61.48
TOTAL		5586.43	7501.34
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	9	2196.23	2089.56
(b) Non-current investments	10	298.04	298.04
(c) Deferred tax assets (net)		80.06	82.16
(d) Long-term loans and advances	11	238.16	207.98
(e) Other non-current assets		-	-
2 Current Assets			
(a) Current investments	12	255.00	-
(b) Inventories	13	10.02	10.02
(c) Trade receivables	14	986.58	3206.11
(d) Cash and cash equivalents	15	1025.52	721.86
(e) Short-term loans and advances	16	479.39	878.48
(f) Other current assets	17	17.43	7.13
TOTAL		5586.43	7501.34
Significant Accounting Policies & Other Notes on Financial Statements	24		

As per our attached report of even date

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

CA Bipin Shah
Partner
Membership No. 10712

Place : Ahmedabad
Date : 26th August, 2017

For and on behalf of Board of Directors

Rakesh Shah Chairman & Managing Director (DIN: 00421920)	Samir Mankad CEO & Whole-time Director (DIN: 00421878)	Chintan Patel Company Secretary (M. No.: A29326)
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Place : Ahmedabad
Date : 26th August, 2017

(Consolidated)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

₹ In Lacs

Particulars	Note No.	2016-17	2015-16
I. Revenue from Operations			
Sale of Products		33260.17	28892.66
Sale of Services		2975.17	2373.21
Other Operating Revenues	18	202.51	136.66
Less:			
Excise duty		-	-
II. Other Income	19	166.65	567.23
III. Total Revenue (I + II)		36604.50	31989.76
IV. Expenses:			
Cost of Trading goods sold		33234.39	29152.56
Purchases of Stock in Trade		-	-
Changes in Inventories of Stock-in Trade	20	-	61.40
Employee benefits expense	21	370.08	322.13
Finance costs	22	235.40	206.05
Depreciation and amortization expense		271.17	302.47
Other expenses	23	2188.37	1652.00
Total Expenses		36299.41	31696.61
V. Profit before exceptional and extraordinary items and tax (III-IV)		305.09	293.15
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		305.09	293.15
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		305.09	293.15
X. Tax Expense:			
(1) Current tax		111.82	90.96
(2) Deferred tax		2.11	(21.52)
(3) Short Provision For Last Years		0.09	4.95
XI. Profit/(Loss) for the period from continuing operations (IX-X)		190.07	218.75
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) transferred to Minority Interest		-	-
XVI. Profit/(Loss) for the period (XI + XIV)		190.07	218.75
XVII. Earnings per equity share (in ₹)		2.52	2.90

As per our attached report of even date

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

CA Bipin Shah
Partner
Membership No. 10712

Place : Ahmedabad
Date : 26th August, 2017

(Consolidated)

For and on behalf of Board of Directors

Rakesh Shah
Chairman & Managing Director
(DIN: 00421920)

Samir Mankad
CEO & Whole-time Director
(DIN: 00421878)

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

Place : Ahmedabad
Date : 26th August, 2017



Consolidated Cash Flow Statement for the year ended 31st March, 2017

₹ in Lacs

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	305.07	293.14
Adjustments For		
Depreciation	271.17	302.47
Interest Paid	235.31	206.06
Interest received	(75.67)	(72.81)
(Profit)/Loss on Sale of Investments	-	(49.13)
Excess Provision for earlier year	-	(1.15)
(Profit)/Loss on Sale of Fixed Assets	(24.07)	(15.30)
Dividend Received	(2.14)	(98.14)
Rent Income	(3.36)	-
Profit on redemption of Mutual fund	-	72.95
Interest on IT refund	-	(2.28)
Misc.Dr./Cr. Written off	336.69	10.70
Operating Profit before working capital changes	1043.00	646.51
Movements in working capital		
Adjustment for Decrease (Increase) in operating assets		
Decrease in Inventories	-	478.66
(Increase) in Trade and other Receivables	1882.84	(2035.18)
(Increase) in Short Term Loans and Advances	394.54	(544.01)
Decrease in other Current Assets	(10.29)	47.70
(Decrease) in Short Term Borrowings	(255.00)	(714.75)
Increase in Trade Payables	(1947.65)	2306.13
(Decrease) in other Current Liabilities	(18.90)	(96.68)
Increase in Short Term Provisions	(18.62)	(27.71)
(Decrease) in Short Borrowings	(123.95)	-
Net Cash Flow from Operating Activities before tax and Exceptional Items (A)	(97.03)	(1064.50)
Taxes Paid	(98.07)	(74.56)
Net cash generated from operating activities before exceptional items	847.90	(492.55)
Exceptional Items	-	-
Net cash generated from operating activities	847.90	(492.55)
CASH FLOW FROM INVESTING ACTIVITIES:		
Increase in Margin Money	(36.52)	(134.01)
Purchase of Fixed Assets	(409.62)	(560.52)
Reduction due to sale of subsidiary	-	145.24
Sale Proceeds of Fixed Assets	55.84	51.30
Interest received	75.67	72.81

(Consolidated)

Consolidated Cash Flow Statement for the year ended 31st March, 2017 (Contd.)

₹ In Lacs

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Dividend Received on Investments	2.14	98.14
Purchase of Investments	-	(89.66)
Rent Received	3.36	-
Sale of Investments in subsidiary	-	368.15
Redemption of mutual Fund	-	277.05
Long Term Loans and Advances	(36.87)	(11.19)
Net cash flow from investing activities	(346.00)	217.31
CASH FLOW FROM FINANCING ACTIVITIES		
Long term Borrowing (Net off repayment)	-	331.18
Addition/Repayment of Secured/Unsecured Loans (Net)	(8.72)	-
Other Long Term Loans and Advances	9.11	(126.25)
Decrease in unclaimed Dividend	-	0.57
Interest paid	(235.31)	(206.06)
Net cash flow from financing activities	(234.92)	169.73
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	266.98	(105.51)
Cash and cash equivalents at the beginning of the year	89.27	194.78
Cash and cash equivalents at the end of the year	356.25	89.27

As per our attached report of even date

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

CA Bipin Shah
Partner
Membership No. 10712

Place : Ahmedabad
Date : 26th August, 2017

For and on behalf of Board of Directors

Rakesh Shah
Chairman & Managing Director
(DIN: 00421920)

Samir Mankad
CEO & Whole-time Director
(DIN: 00421878)

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

Place : Ahmedabad
Date : 26th August, 2017

Notes on Consolidated Financial Statements for the year ended 31st March, 2017
1. Share Capital

₹ in Lacs

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Authorised Equity Shares of ₹ 10 each	10,030,000	1,003.00	10,030,000	1,003.00
Issued Equity Shares of ₹ 10 each	7,550,000	755.00	7,550,000	755.00
Subscribed & fully Paid up Equity Shares of ₹ 10 each	7,550,000	755.00	7,550,000	755.00
Total	7,550,000	755.00	7,550,000	755.00

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

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

₹ in Lacs

Particulars	Equity Shares			
	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,550,000.00	755.00	7,550,000.00	755.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	7,550,000.00	755.00	7,550,000.00	755.00

1.3 **Terms/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 2013.

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

Particulars	Nature of Relationship	As at 31st March, 2017	As at 31st March, 2016
Komal Infotech Private Limited	Holding Company	4,783,910	4,783,910

1.5 **Details of Shareholders holding more than 5% shares**

Name of Shareholder	Equity Shares			
	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Komal Infotech Private Limited	4,783,910	63.36	4,783,910	63.36
Priti R. Shah	1,447,670	19.17	1,447,670	19.17
Rakesh R. Shah	635,940	8.43	635,940	8.42
Shaishav R. Shah	487,270	6.45	487,270	6.45

(Consolidated)

2. Reserves & Surplus

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Capital Reserve	15.00	15.00
b. Securities Premium Account		
Opening Balance	337.00	337.00
Add : Securities premium credited on Share issue	-	-
Closing Balance	337.00	337.00
c. General Reserves		
Opening Balance	168.23	168.23
(+) Current Year Transfer	-	-
Closing Balance	168.23	168.23
d. Surplus/Deficit in statement of Profit and Loss		
Opening balance	1108.30	934.99
(+) Net Profit/(Net Loss) For the current year	190.07	218.75
(+) Transfer from Reserves	-	-
(-) Short Provision of income tax of earlier years	-	-
(-) Proposed Dividend	37.75	37.75
(-) Tax on Proposed Dividend	7.69	7.69
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	1252.93	1108.30
Total	1773.16	1628.53

Non-current Liabilities

3. Long-term Borrowings

₹ in Lacs

Particulars	Non-Current		Current Maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Secured Loans				
Term loans				
Rupee Loan				
-From Others	180.57	338.78	138.83	149.69
(All above loans are secured against Hypothecation of Motor cars)				
Loan From Shaishav R. Shah	149.17	-	-	-
	329.74	338.78	138.83	149.69
Amount disclosed under the head *Other Current Liabilities (Note - 7)			138.83	149.69
Total	329.74	338.78	138.83	149.69

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

(Consolidated)

Non Current Liabilities
4. Other Long Term Liabilities

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Payable	-	-
Due to Others (Due to Micro and Small Enterprise)	18.84	0.89
Total	18.84	0.89

Current Liabilities
5. Short-term Borrowings

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Secured Loans		
Working capital facilities from State Bank of India	128.46	838.22
Working capital facilities from DCB Bank Limited (Secured against hypothecation of entire Stocks/Receivables & other Current Assets of the Company (both present and future on pari passu basis with the Banks & Personal Guarantee of Directors)	109.68	346.77
	238.14	1184.99
b) Unsecured Loans		
(i) Loans repayable on demand		
-From Others (Metro Global Limited)	82.87	82.92
	82.87	82.92
(ii) Loans from Related parties		
Komal Infotech Private Limited	928.22	41.59
GSEC Aviation Limited	10.65	208.18
Kalpavruksha Estate and Finance Pvt. Ltd.	73.42	-
Komal infrastructure Pvt. Ltd.	19.88	-
	1032.17	249.77
(iii) Deposits		
Directors' Deposit	69.30	32.57
	1184.34	365.26
Total	1422.48	1,550.25

(Consolidated)

Current Liabilities

6. Trade Payables

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Payables - For Expenses	208.35	2797.54
Others - For Purchases	630.05	-
Total	838.40	2797.54

Current Liabilities

7. Other Current Liabilities

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Current maturities of long-term debt (Refer Note No. 3)	138.83	149.69
(b) Unclaimed dividends	3.61	3.45
Other payables (specify nature)		
a) Statutory Dues Payables	41.66	39.26
b) Trade/Security Deposit	12.58	4.31
c) Advance from Customers	131.38	147.54
e) Provision for bonus	16.12	12.49
f) Other Liabilities	0.93	12.13
Total	345.11	368.87

Current Liabilities

8. Short-term Provisions

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Provision for employee benefits		
Gratuity (Funded)	5.56	3.51
Leave Encashment (Unfunded)	12.91	11.26
	18.47	14.77
(b) Others		
Proposed Dividend	37.75	37.75
Tax on Proposed Dividend	7.69	7.69
Other Provisions	23.41	1.27
	68.85	46.71
Total	87.32	61.48

(Consolidated)

₹ in Lacs

9. Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at April 1, 2016	Additions/ (Disposals)	Deductions/ Adjustments	Revaluations/ (Impairments)	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at March 31, 2017	Balance as at March, 2016
a. Tangible Assets (Not Under Lease)											
Land	395.47	0.00	0.00	0.00	395.47	0.00	0.00	0.00	0.00	395.47	395.47
Buildings	1181.56	87.63	0.00	0.00	1269.18	47.34	0.00	0.00	272.99	396.20	955.91
Plant and Equipment	411.40	149.18	0.00	0.00	560.58	41.86	0.00	0.00	246.48	314.10	206.77
Furniture and Fixtures	321.61	33.40	0.00	0.00	355.01	29.17	0.00	0.00	250.54	104.47	100.24
Vehicles	565.00	105.69	89.50	0.00	581.17	247.66	0.00	57.75	284.48	295.89	317.24
Office Equipment	483.77	12.60	0.00	0.00	496.37	297.48	0.00	0.00	435.91	60.46	86.29
Computers	116.50	11.33	0.00	0.00	127.83	97.18	0.00	0.00	109.69	18.14	19.32
A.C Machines & Plant	45.92	9.77	0.00	0.00	55.69	37.71	0.00	0.00	44.20	11.49	8.21
Total (I)	3521.23	409.00	89.52	0.00	3841.33	1431.67	271.17	0.00	57.75	1645.09	2089.56
Previous Year's Details	3443.18	560.52	162.17	320.30	3521.23	1487.60	302.47	232.22	126.17	1431.68	2089.55
											-

10. Non-current Investments

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Other Investments		
Investment in Equity Instruments		
QUOTED INVESTMENTS		
23,925 Equity Shares fully paid up of Re. 1 each of Adani Enterprises Limited* (P.Y.28,925 Shares of Re. 1 Each)	22.74	22.74
23,925 Equity Shares fully paid up of Re. 1 each of Adani Transmission Limited (P.Y.NIL)	17.30	17.30
33,789 Equity Shares fully paid up of Re. 1 each of Adani Port Special Economic Zone Limited (P.Y.NIL)	10.18	10.18
44,490 Equity Shares fully paid up of Re. 1 each of Adani Power Limited (P.Y.NIL)	26.42	26.42
500 Equity Shares fully paid up of Rs. 10/-each of Reliance Industries Limited (P.Y. 500 Shares of Rs. 10 each))	3.88	3.88
5,750 Equity Shares fully paid up of Rs. 10/- each of Tata Steel Limited (P.Y. 5,750 Shares of Rs. 10 each)	24.81	24.81
10,000 Equity Shares fully paid up of Rs. 2/- each of AXIS Bank Limited (P.Y. 10000 Shares)	40.36	40.36
10,000 Equity Shares fully paid up of Re.1/- each of State Bank of India Limited (P.Y. 10000 Shares)	29.99	29.99
25,000 Equity Shares fully paid up of Re.1/- each of Cadila Healthcare Limited (P.Y. 0 Shares)	79.30	79.30
1,00,000 Equity Shares fully paid up of Re.1/- each of Neela Infrastructure Limited (P.Y. 0 Shares)	11.72	11.72
250 Equity Shares fully paid up of Rs. 10 each of GNFC Limited (P.Y. 250 Shares)	0.05	0.05
100 Equity Shares fully paid up of Re. 10 each of PAN India Corporation Limited (P.Y. 1000 Shares)	0.01	0.01
5 Equity Shares fully paid up of Re. 1 each of Pentamedia Graphic Limited (P.Y. 5 Shares)	-	-
13700 Equity Shares fully paid up of Re. 1 each of Enrich Industries Limited (P.Y. 13700 Shares)	0.69	0.69
UNQUOTED INVESTMENTS		
667 Equity Shares of GITCO OF Rs.100 each (P.Y. 667 Shares)	0.67	0.67
Investments in Government Securities-Unquoted		
7 Years National Savings Certificates	0.25	0.25
7 Years National Savings Certificates (Deposited with Governer of Karwar)	0.20	0.20
15000 Equity Shares of Kalupur Commercial Co.Op. Bank Limited of Rs. 25/- each (P.Y. 15000 Shares)	3.75	3.75
	272.32	272.32
INVESTMENT IN PROPERTY		
BLOCK D - SILVER ARC APARTMENT	25.72	25.72
Total	298.04	298.04
Aggregate amount of Quoted Investments (Market Value)	414.27	304.28

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

(Consolidated)



Non-current Assets

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

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Capital Advance	49.16	49.16
Deposit and Balance with Government Authorities	4.11	4.11
Deposit with Others	21.10	34.80
Advance Income Tax (Net of Provisions)	51.89	42.74
Other Loans and Advances	111.91	77.17
Total	238.17	207.98

Current Assets

12. Current Investments

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Investment in Mutual Fund		
Principal Mutual Fund	250.00	-
SBI Magnum Insta Cash Fund - Liquid Floater	5.00	-
Total	255.00	-

Current Assets

13. Inventories

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trading Goods	10.02	10.02
Total	10.02	10.02

Current Assets

14. Trade Receivables

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured- Considered good		
Outstanding for period exceeding six months	273.11	749.25
Other Receivables	713.47	2,456.86
	986.58	3,206.11
Unsecured, considered doubtful		
Outstanding for period exceeding six months	-	-
Other Receivables	-	-
	-	-
Less: Provision for doubtful debts	-	-
Total	986.58	3,206.11

Current Assets

15. Cash & Cash Equivalents

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Balances with banks		
- In Current Accounts	352.35	86.50
- In Fixed Deposit Accounts (Margin Money against Bank Guarantee)	665.68	629.17
-Unpaid Dividend Accounts	3.59	3.42
b. Cash on hand	3.90	2.77
Total	1025.52	721.86

Current Assets

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

₹ in Lacs

Short term loans and Advances	As at 31st March, 2017	As at 31st March, 2016
Loan and advances to related parties	10.26	3.20
Loans to Employees	8.52	7.29
Prepaid Expenses	86.04	101.77
Balances with Statutory/Government Authoritied		
CENVAT Credit Receivable	0.08	0.08
Service Tax Credit Receivable	50.80	47.30
Sales Tax Credit Receivable	25.00	27.66
Entry Tax	-	3.45
Inter Corporate deposits (unsecured , considered good) - Anil Dye Chem Industries Pvt. Ltd.	-	550.00
	170.44	737.55
Other Loans and Advances (Unsecured , including advance to Suppliers)		
Unsecured , Considered Good	298.78	137.74
	298.78	137.74
Total	479.47	878.48

Current Assets

17. Other Current Assets

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest accrued on Inter Corporate Deposits	-	0.05
Interest accrued on FDR	15.76	5.19
Investment in Silver Coins	0.61	0.61
Others	1.05	1.28
Total	17.42	7.13

18. Other Operating Revenues

₹ in Lacs

Particulars	2016-17	2015-16
Auction Sale	0.51	6.66
Commission Income	150.00	-
Consultancy income	52.00	-
Cancellation of order	-	150.00
Total	202.51	156.66

19. Other Income

₹ in Lacs

Particulars	2016-17	2015-16
Interest Income	75.67	72.81
Interest on I.T. Refund	0.41	2.28
Entry Tax Refund - Karwar	17.13	-
Dividend Income	2.13	98.14
Profit on Sale of Mutual Fund	-	30.02
Profit on Sale of Fixed Assets	24.07	15.30
Profit on sale of Subsidiary	-	49.13-
Bad Debts Recovered	4.75	1.50
Commission Income	-	91.00
Foreign Exchange Difference	5.55	0.52
Excess Provision for Earlier Year	1.87	1.15
Duty Drawback	0.47	-
Misc. Income	2.06	17.19
Misc./Dr./Cr. Balance Written Back	-	188.19
Rate difference	-	-
Kasar/Discount	1.02	-
Other Income	27.28	-
Rent income	4.24	-
Total	166.65	567.23

20. Change in Inventories of Finished Goods

₹ in Lacs

Particulars	2016-17	2015-16
Inventories (at close)		
Finished goods / Stock in trade	10.02	10.02
Inventories(at commencement)		
Finished goods / Stock in trade	10.02	71.42
Total	0.00	61.40

21. Employee Benefits Expense

₹ in Lacs

Particulars	2016-17	2015-16
(a) Salaries and incentives	231.58	201.81
(b) Remunerations to Directors	101.14	75.17
(c) Contributions to		
(i) Provident and other fund (ii) Superannuation scheme	12.50	11.82
(d) Gratuity fund contributions	5.78	3.98
(e) Staff welfare expenses	19.08	29.35
Total	370.08	322.13

(Consolidated)

22. Finance Costs

₹ in Lacs

Particulars	2016-17	2015-16
Interest Expense	148.99	107.84
Bank Charges	3.64	20.39
Other Borrowing Costs	82.77	77.82
Total	235.40	206.05

23. Other Expenses

₹ in Lacs

Particulars	2016-17	2015-16
Rent and License Fees	318.06	213.24
Land Lease Rent for Guest House	7.45	6.85
Rates and Taxes	5.93	3.15
Insurance	34.33	17.49
Employer/Employee Insurance	162.90	112.75
Electricity	58.45	73.18
Stationery and Printing	7.15	5.80
Postage and Telephone	15.40	16.06
Repairs and Maintenance & Renovation to Bldg	234.23	210.79
Auditors Remuneration	1.55	1.14
Fees and Legal Expenses	55.31	38.15
Vehicle Expenses	21.61	16.87
Conveyance	2.11	2.06
Advertisement & Publicity Expenses	115.46	10.23
Travelling Expenses	95.81	134.18
Guest House Expenses	15.79	13.35
Miscellaneous Expenses	64.57	65.18
Director fees & travelling	2.15	1.24
Sales Promotion	39.41	91.75
Security Expenses	45.58	46.41
Royalty	436.14	318.62
Packing Materials	6.10	26.39
Donation	18.71	14.79
Bad Debts Written Off	334.82	65.98
Computer Repairing Expenses & Hardware Expenses	2.23	4.13
Commission and Agency Commssion	26.15	15.00
Deputation Charges to Custom Department	34.00	21.59
Cargo Handling Expenses	24.20	0.10
Discount/Rate Difference Expenses	-	2.00
Prior Period Expenses	-	0.56
Advances and Misc. Dr/Cr/Written off	2.37	-
Loss on Redemption of M.F.	-	102.97
Total	2188.37	1652.00

(Consolidated)

NOTES FORMING PART OF ACCOUNT

NOTE: 24 SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

B. PRINCIPLES OF CONSOLIDATION

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

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

C. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

D. Other significant accounting policies these are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

NOTE: 25 OTHER NOTES FORMING PART OF ACCOUNTS:

(i) Details of Payments to Auditor

₹ in Lacs

Particulars	2016-17	2015-16
a. To Auditors	1.95	1.14
b. For Taxation Matters	-	-
c. Certification (Included in Fees and Legal Expenses)	-	-
Total	1.95	1.14

(ii) Salaries and wages of ₹ 101.14 Lacs (Previous Year ₹ 75.17 Lacs) being the remuneration to Executive Directors' of the Company. The said remuneration is not in excess of the limits laid down u/s 197 read with Schedule V of the Companies Act, 2013.

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

(iv) Contingent Liabilities not provided for:

- a. Claims against the company not acknowledged as debt of ₹ 92.86 Lacs (Previous Year ₹ 22.86 Lacs)
- b. Bank Guarantee issued to Customs Department – Ahmedabad of ₹ 2974 Lacs (Previous Year ₹ 2135 Lacs)
- c. Higher demand of ₹ 34.76 Lacs including Interest for non-payment of the demand raised by The Airport Director, Indore for Hanger Rent for the period from 01.04.2008 to 20.06.2013, as the Company has sought to reverse this amount on the basis of similar earlier reversal. The agreement for renewal of air cargo complex license which was due on 23.11.2011 is also not executed, pending Resolution of this dispute. However the work at Air Cargo Complex – Indore continues and Company has deposited ₹ 35 Lacs in 2013-14 under protest.

(Consolidated)

- d. Demand raised in 2012-13 by Directorate of revenue intelligence for short payment of Custom Duty for Import of Bitumen at various ports of ₹ 310.26 Lacs. As the custom department has adopted the value declared for imports is lower than the market value. The company has objected the above demand raised in show cause notice, hence no provision has been made in the books of accounts.
- e. Demand raised in 2012-13 by The Asst. Commissioner of Commercial Tax, Flying Squad – Ahmedabad of ₹ 887.39 Lacs for not allowing input credit of VAT on the purchases of Drinking Water Plant/Water Treatment Plant for the year 2007-08 and 2008-09, as the supplier from whom the purchases have been made have not paid the Vat tax collected from the company. As the company has preferred an appeal before higher authorities no provision in the account have been made. However, the Company has deposited ₹ 25 Lacs under protest.
- f. The Additional Commissioner Service Tax, Ahmedabad has raised the demand of ₹ 39.02 Lacs for the year 2009-10 to 2012-13 on 16.09.2014 for non-payment of Service Tax on rendering services on Cold Storage activities which is partly exempt/chargeable at lower rate. As the Company has not accepted the above demand fully and hence no provision in the books of Accounts has been made. However Company has deposited ₹ 14.07 Lacs under protest.

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

Employees Benefits: Defined Benefits Plans as per Actuarial Valuation on March 31, 2017.

Sr. No.	Particulars	₹ In Lacs)			
		Gratuity		Leave Encashment	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
(1)	The amounts recognized in the Balance Sheet as at the end of the year				
	Present Value of Funded Obligation	(51.90)	(43.82)	--	--
	Fair Value of Plan Assets	46.34	40.31	--	--
	Present Value of Unfunded Obligation	--	--	(12.91)	(11.26)
	Net(Assets)/liability	(5.56)	(3.51)	(12.91)	(11.26)
(2)	The amounts recognized in Profit and Loss Account for the year				
	Current Service Cost	4.68	4.38	1.31	1.11
	Interest Cost	0.28	0.01	0.90	0.81
	Expected Return on Plan Assets	--	--	--	--
	Actuarial (Gains)/Losses	2.87	(0.39)	1.68	(0.75)
	Actual Return on Plan Assets	--	--	--	--
	Total Expenses	7.38	3.99	--	--
(3)	The Changes in Obligations during the year				
	Present value of Defined benefit Obligation at the beginning of the year	43.82	41.70	11.26	10.90
	Current Service Cost	4.68	4.38	1.31	1.11
	Interest Cost	3.49	3.33	0.90	0.81
	Actuarial (Gains)/Losses	2.70	(0.60)	1.68	(0.75)
	Benefit Payments	(2.79)	(4.99)	(2.24)	--
	Present value of Defined Benefit Obligation at the end of the year	51.90	43.82	12.91	11.26
(4)	The changes in Plan Assets during the year				
	Plan Assets at the beginning of the year	40.31	41.65	--	--
	Actuarial gains and (losses)	(0.17)	(0.21)	--	--
	Contribution by Employer	5.78	0.54	--	--
	Actual Benefit Paid	(2.79)	(4.99)	--	--
	Plan assets at the end of the year	46.34	40.31	--	--
	Actual return on Plan Assets	3.22	3.33	--	--

Sr. No.	Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
5.	Actuarial Assumption : Discount Rate	7.29%	7.29%
	Turnover Rate		
	Mortality		
	Salary Escalation Rate	7%	7%
	Retirement age	58 Years	58 Years

(vi) Related Party Disclosure:

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

A. List of Related Parties & Relationship

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

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

₹ in Lacs

Nature of Transaction	Holding Company	Fellow Subsidiary Company	Relative of Director	Key Management Personnel			
				Rakesh R. Shah	Shaishav R. Shah	Samir H. Mankad	Raji S. Shah
Rent Paid	-	-	23.0	-	2.74	-	-
Interest Paid	31.94	8.35	-	7.89	1.13	-	-
Remuneration	-	-	-	36.00	22.85	25.20	17.09
Outstanding as on 31.03.2017	(928.22)	(11.00)	-	(66.96)	(2.34)	-	-
Loan Taken	3173.00	182.64	-	569.00	195.00	-	-
Loan Repaid	2315.11	387.34	-	519.13	216.26	-	-

(Consolidated)

(vii) The net Deferred Tax (Liabilities)/Assets as on March 31, 2017 at as follows

₹ in Lacs

Deferred Tax Assets arising from:	2016-17	2015-16
Net deferred Tax Assets/(Liability)	80.06	82.16

The tax impact for the above purpose has been arrived by applying a tax Rate of 33.06% being the prevailing tax rate for Indian companies under the Income Tax Act, 1961. Based on the management's estimate; the company would have sufficient Taxable Income in future to utilize credit available under the Income Tax Act, 1961.

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

₹ in Lacs

Particulars	2016-17	2015-16
Net Profit (Loss) after Tax	190.07	218.75
Number of Equity Shares	75,50,000	75,50,000
Nominal Value of Equity Share (₹)	10.00	10.00
Basic & Diluted Earning Per Share (₹)	2.52	2.90

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

₹ in Lacs

Particulars	2016-17	2015-16
a. C.I.F. value of imports of:		
Raw Materials	1107.35	-
Spare parts		
Capital Goods	137.80	42.98
b. Expenditure in Foreign Currency:		
on Foreign Travel	33.23	67.06
c. Expenditure in Foreign Currency:		
on purchase of capital items	-	-
d. Consumption of:		
i. Raw Materials	-	-
ii. Store and Spares Parts	-	-
e. Remittance in Foreign Currency		
On accounts of Agency Commission	-	-
f. Earning in Foreign Exchange		
Value of Goods Exported)	-	-

(xi) As per the requirement of Schedule III of the Companies Act, 2013, the amounts of financial statements have been rounded off to the nearest lacs of Rupees. Hence, the differences in total and sub-total of some items are inevitable.

NOTE NO. 26 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes (i.e. as provided in the notification no. S.O. 3407(E), dated 8th Nov, 2016 issued by the Government of India) or other denomination note as defined in the MCA notification G.S.R. 308 (E) dated 31st March, 2017, on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs	Other denomination Notes	Amount in ₹
For the period ended			Total
Closing Cash in hand as on 8th November, 2016	276500	73649	350145
(+) Permitted Receipt	-	1788983	1788983
(-) Permitted Payment	-	680116	680116
(-) Amount deposited in Bank	-	987745	987745
Closing Cash in hand as on 30th December, 2016	-	-	471272

(Consolidated)

Note No. 27. 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, 2017

	Air Cargo		Trading Activities		Others		Total	
	2016- 17	2015-16	2016-17	2015-16	2016- 17	2015- 16	2016-17	2015-16
A. Revenue								
Services/Sales Revenue	2975.17	2373.21	33462.68	28899.32	0.00	0.00	36437.85	31272.53
Intersegment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	2975.17	2373.21	33462.68	28899.32	0.00	0.00	36437.85	31272.53
B. Result								
Segment Result Profit/Loss	2975.17	2373.21	228.29	-314.64	0.00	0.00	3203.46	2058.57
Other Income excluding Interest Income							73.44	642.14
Other Unallocable Expenses							2829.62	2276.60
Operating Profit							447.28	424.11
Interest Income							93.21	75.09
Interest Expenses							235.40	206.06
Profit Before Tax							305.09	293.14
Provision For Income Tax (including Deferred Tax)							115.02	74.39
Net Profit After Tax							190.07	218.75
Less: Profit/(Loss) transferred to minority interest							73.44	642.14
Profit After Tax after adjustment of Minority Interest							190.07	218.75
C. Other Information								
Capital Employed								
Segment Assets	2778.24	2129.42	2175.09	4887.61	633.10	186.28	5586.43	7203.31
Segment Liabilities	269.74	312.84	1287.01	2901.73	1456.07	1605.21	3012.82	4819.78
Other Unallocable Corporate Assets and Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Capital Employed							2573.61	2383.53
Capital Assets/Expenditure including Capital Work-in-Progress incurred during the Year	340.50	272.34	69.12	288.18	0.00	0.00	0.00	0.00
Other Unallocable Capital Expenditures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	340.50	272.34	69.12	288.18	0.00	0.00	0.00	0.00
D. Segment Depreciation	175.47	184.39	95.70	85.02	33.06	33.06	304.23	409.50
E. Non-cash Expenses other than Depreciation	0.00	0.00	334.82	39.81	0.00	0.00	39.81	73.74

As per our attached report of even date

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

CA Bipin Shah
Partner
Membership No. 10712

Place : Ahmedabad
Date : 26th August, 2017

For and on behalf of Board of Directors

Rakesh Shah
Chairman & Managing Director
(DIN: 00421920)

Samir Mankad
CEO & Whole-time Director
(DIN: 00421878)

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

Place : Ahmedabad
Date : 26th August, 2017

(Consolidated)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **51st ANNUAL GENERAL MEETING** of the Members of **GSEC LIMITED** will be held on **Thursday, the 28th day of September, 2017 at 11:30 a.m. at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009** to transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company including audited Balance Sheet, as at 31st March, 2017, Statement of Profit and Loss and Cash Flow Statement for the year ended on 31st March, 2017 together with the Directors' Report and the Auditors' Report thereon.
- 2 To declare dividend on Equity Share Capital of the Company.
- 3 To appoint a Director in place of Mr. Shaishav Rakeshkumar Shah (DIN:00019293), who retires by rotation and being eligible seeks re-appointment.
- 4 To ratify the appointment of the Statutory Auditors of the Company made at the 48th Annual General Meeting and to fix their remuneration. In this connection, to consider and if thought fit, to pass, with or without modification the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modifications or amendments or re-enactments made thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, the appointment of M/s. BJS & Associates, Chartered Accountants, Ahmedabad (Registration No. 113268W) made up to conclusion of the Annual General Meeting to be held in the year 2019 (subject to ratification of the appointment by the members at every Annual General Meeting) be and is hereby ratified until the conclusion of the next Annual General Meeting of the company and that the Auditors be paid such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

- 5 Re-Appointment of Mr. Samir Hanskumar Mankad (DIN: 00421878) as a Whole-time Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Samir Mankad (DIN: 00421878) as Whole-time Director of the Company with effect from April 1, 2017 for a period of three years, as well as for the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors and /or Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment in such manner as may be decided by the Board of Directors.

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

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

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

NOTES:

- 1 A member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member.
- 2 Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting right. In case the proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy cannot act as a proxy for any other person or shareholder.
- 3 A proxy, in order to be effective, must be received at the registered office of the company not less than 48 hours before the commencement of the meeting.

- 4 A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 5 Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 6 Only bonafide members of the company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- 7 Members are requested to bring their copies of Annual Report to the Meeting.
- 8 In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
- 9 Company has fixed 28th September, 2017 as record date for the purpose of determining the entitlement of dividend.
- 10 The unclaimed/unpaid dividend till the financial year ended March 31, 2009 has been transferred to the Investor Education and Protection Fund of the Central Government ("the Fund"). Shareholders are requested to note that once unpaid/unclaimed amounts are transferred to the Fund, no claim shall lie against the Fund or the Company. Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place.
- 11 Members are requested to intimate any change of name, address etc. to RTA i.e. M/s. Bigshare Services Private Limited at A/802, Samudra Complex, Near Klassic Gold Hotel, Off C G Road, Ahmedabad-380009 or the Secretarial Department of the Company at registered office immediately.
- 12 Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the Company Secretary at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
- 13 Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new share transfer form SH-4 for the same.
- 14 Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
- 15 Members desiring for cancelling or making any variation in the details of nomination are required to submit SH 14 as prescribed by the Government and the form can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
- 16 Members may also note that the Notice of the 51st Annual General Meeting and the Annual Report for the financial period ended on 31.03.2017 will also be available on the Company's website www.gsecl.co.in for their download.
- 17 The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the registered office address or e-mail their grievances/queries to the e-mail address: cs@gsecl.co.in.
- 18 A Route Map showing the Directions to reach the venue of the 51st Annual General Meeting is attached herewith as per the requirement of Secretarial Standards - 2 on General Meeting.

19 Details of Directors seeking appointment/re-appointment at the 51st Annual General Meeting of the Company:

Name of Director	Mr. Samir Hanskumar Mankad	Mr. Shaishav Rakesh Shah
Date of Birth	July 13, 1960	May 22, 1984
DIN	00421878	00019293
Date of Appointment	March 08, 2004	June 12, 2010
Relationship with Directors	None	Spouse of Ms. Raji Shah Wholetime Director of the company and Son of Mr. Rakesh Shah Managing Director of the company
Qualifications	B.E. (Mechanical), M.B.A.	B Com and Post Graduate Diploma in Management
Expertise in functional area	Air Cargo operations, Logistics and allied services	Business development, Administrative and Finance
Board Membership in other Companies as on March 31, 2017	1. GSEC LOGISTICS LIMITED 2. GSEC AVIATION LIMITED 3. GSEC RENEWABLE ENERGY PRIVATE LIMITED	1. GSEC AVIATION LIMITED 2. GSEC LOGISTICS LIMITED 3. KALPAVRUKSHA ESTATE AND FINANCE PRIVATE LIMITED 4. GSEC GREEN ENERGY PRIVATE LIMITED 5. GSEC RENEWABLE ENERGY PRIVATE LIMITED 6. VINBUILD INFRASTRUCTURE PRIVATE LIMITED
Chairman/Member of the Committee of the Board of directors in other companies as on March 31, 2017	Nil	Nil
Number of Shares held in the Company as on March 31, 2017	Nil	487270 (6.45%)

By Order of the Board of Directors,

CHINTAN PATEL
Company Secretary

August 26, 2017

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

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

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

Item No. 5

As the term of Mr. Samir Mankad as Whole-time Director was till March 31, 2017, the Board of Directors in their meeting held on December 28, 2016, has re-appointed Mr. Samir Mankad as Whole Time Director of the Company for further period of three years from April 1, 2017 to March 31, 2020, subject to approval of the members at the ensuing Annual General Meeting (AGM).

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

On recommendation of Nomination and Remuneration Committee and considering his vast knowledge, rich business experience and continuous efforts made towards the growth of the Company the Board has proposed his re-appointment as Whole-Time Director for further period of three years w.e.f. from 1st April, 2017 and payment of remuneration as per the terms and conditions as mentioned below.

Tenure: 1st April, 2017 to 31st March, 2020

Salary: Salary plus allowances with different breakup be revised and payable monthly / yearly basis within overall limit of yearly package not exceeding of ₹ 24,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

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

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

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

Other benefits:

- (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) Motor Car for official use and purpose shall be provided by the Company and entitled for expenses for Driver and fuel reimbursement shall be made.
- (iii) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

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

None of the other Directors of the Company and / or their relatives are concerned or interested, financially or otherwise in the said resolution except Mr. Samir Mankad, being the concerned appointee.

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

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

I GENERAL INFORMATION:

1	Nature of Industry	Air Cargo Services, export and trading activities.		
2	Date or Expected Date of Commencement of Commercial Production	Not applicable as the company has already undertaken commercial activities long back.		
3	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable		
4	Financial performance based on given indicators.		(₹ in Lakh)	
	Particulars	2016-17	2015-16	
	Total Income	36,604.10	31816.57	
	Profit Before Tax and Depreciation (Including exceptional)	580.89	548.55	
	Depreciation	246.85	269.41	
	Profit Before Tax	334.04	279.14	
	Tax	114.83	73.16	
	Profit After Tax	219.21	205.97	
	Equity Capital (face value ₹ 10)	755.00	755.00	
	Earnings per Share (₹)	2.90	2.73	
5	Export performance based on given indicators.		(₹ in Lakh)	
	Particulars	2016-17	2015-16	
	Foreign Exchange Earning	—	—	
	Foreign Exchange Outgo	33.23	67.06	
6	Foreign Investments or Collaborations, if any.	The Company did not have any foreign investments or collaborations.		

II INFORMATION ABOUT THE APPOINTEE:

1 Background Details:

Mr. Samir Mankad is a Mechanical Engineer and holds an M.B.A. He has on his credit a long and successful years of experience in diversified projects management, MIS, HR and other top management areas. He was serving Adani Group, a nationally renowned and diversified group for more than 5 years on a key managerial position. He is serving the Company as a Whole-time Director designated as an Executive Director since 2004-05.

2 Past Remuneration:

Details of past remuneration paid to Mr. Samir Mankad is mentioned herein below:

Period	Remuneration Paid
1st April, 2014 to 31st March, 2017	₹ 2,00,000/- Per Month

3 Recognition or awards: Nil

4 Job Profile and his suitability:

The Whole-time Director devotes his/her full time to one company and shoulders the responsibility towards the executive decision making and overall management and administration of the core operations. He also assists the Managing Director in the overall management and administration of the Company as and when needed.

Mr. Samir Mankad shoulders the responsibilities of Whole-time Director since the acquisition of the Company. His in depth understanding of the air cargo operations and logistics services of the company has strengthened the brand of the company among all the stakeholders. The Board has continuously entrusted him with the responsibility of the whole-time director throughout his career with the Company.

5 Remuneration proposed:

Tenure: 1st April, 2017 to 31st March, 2020

Salary: Salary plus allowances with different breakup be revised and payable monthly / yearly basis within overall limit of yearly package not exceeding of ₹ 24,00,000/-, subject to ceiling of the managerial remuneration under the Companies Act, 2013 and rules made thereunder, for each year.

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

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

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

Other benefits:

- (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) Motor Car for official use and purpose shall be provided by the Company and entitled for expenses for Driver and fuel reimbursement shall be made.
- (iii) In addition to above, the said Director shall be entitled to all other perquisites and benefits as applicable to the Executive Directors of the Company as per the Remuneration Policy framed by the Nomination and Remuneration Committee and existing rules and policies of the HR Department of the Company.

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

Being in a service industry with the responsibility entrusted by the Government with no direct competitor, no such statistics is available or can be framed out.

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

Mr. Samir Mankad does not hold any shares in the company. He has no pecuniary relationship with the Company to be reported except to the extent of remuneration drawn by him.

III OTHER INFORMATION:**1 Reasons of Loss or Inadequate Profits:-**

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

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

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

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

2 Steps taken or proposed to be taken for improvement:

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

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

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

3 Expected increase in productivity and profits in measurable terms:

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

By Order of the Board of Directors,

CHINTAN PATEL
Company Secretary

August 26, 2017

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

GSEC Limited**CIN:** U52100GJ1965PLC001347**Regd. Office:** Gujarat Chambers Building, Ashram Road, Ahmedabad – 380 009, Gujarat**Phone:** +91-79-2655 4100 / 2657 5757 / 2658 5757 **Fax:** +91-79-26584040**Email:** info@gsecl.co.in, **Web:** www.gsecl.co.in**Attendance Slip**

I/We hereby record my/our presence at the 51st Annual General Meeting of the Company being held on Thursday 28th September, 2017 at 11:30 AM at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009.

Full name of the Member: _____**Folio No:** _____ **DP ID No.:** _____**No. of shares held:** _____**Full name of the Proxy:** _____**Member's /Proxy's Signature:** _____

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

GSEC Limited

CIN: U52100GJ1965PLC001347

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

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

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

PROXY FORM
FORM NO. MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s): _____
Registered Address: _____ _____
E-mail Id: _____
Folio / DP ID: _____

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

- (1) **Name:** _____
Address: _____
Email ID: _____ **Signature:** _____ **or failing him / her:**

- (2) **Name:** _____
Address: _____
Email ID: _____ **Signature:** _____ **or failing him / her:**

- (3) **Name:** _____
Address: _____
Email ID: _____ **Signature:** _____ **or failing him / her:**

as my/ our Proxy to attend and vote on poll for me/us on my/ our behalf at the 51st Annual General Meeting of the Company to be held on Thursday, the 28th September, 2017 at 11:30 AM at Sheth Sri Kasturbhai Lalbhai Hall, Gujarat Chamber of Commerce and Industries' Building, Ashram Road, Ahmedabad - 380 009 and at any adjournment thereof and respect of such resolution mentioned below:

Resolution No.	Resolution	#Optional	
		For	Against
Ordinary Business			
1	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2	Declaration of Dividend on Equity Shares.		
3	Re-appointment of Mr. Shaishav Shah (DIN:00019293), who retires by rotation.		
4	Ratify the appointment of M/s. BJS & Associates, Chartered Accountants as Statutory Auditors and fix their remuneration.		
Special Business			
5	Re-Appointment of Mr. Samir Hanskumar Mankad (DIN: 00421878) as a Whole-time Director of the Company.		

Signed this _____ day of _____ 2017.

Signature of Shareholder: _____

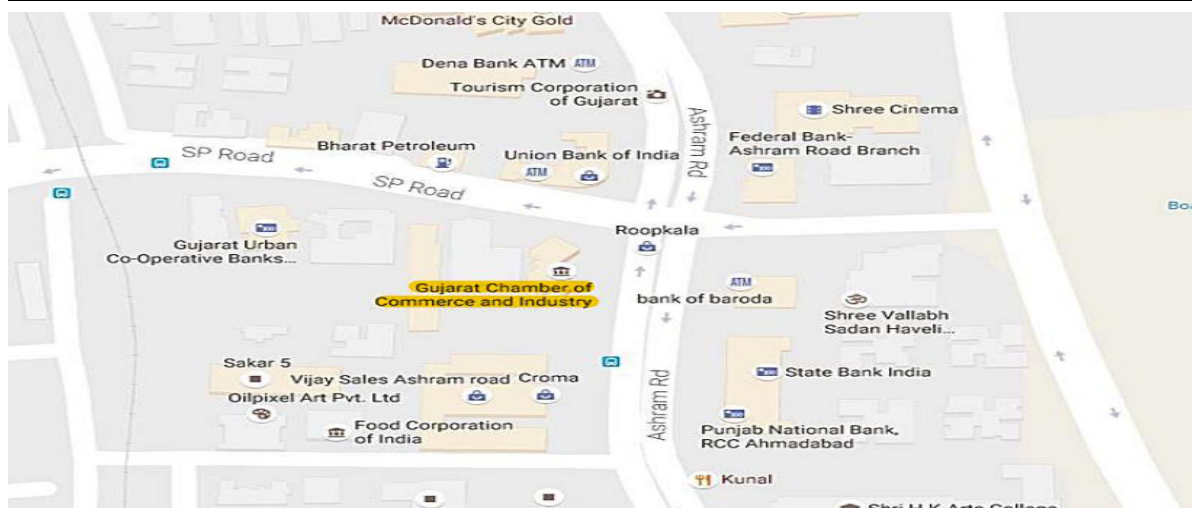
Signature of Proxy holder(s): _____

Affix a
Revenue
Stamp
of ₹ 1

Note:

- 1 This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- 2 For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 51st Annual General Meeting.
- #3 It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4 Please complete all details including details of member(s) in above box before submission

ROUTE MAP FOR AGM HALL - SHETH SRI KASTURBHAI LALBHAI HALL



Regd. Office :
2nd Floor, Gujarat Chamber's Building, Ashram Road, Ahmedabad - 380 009, Gujarat, INDIA.
Ph.: +91-79-2655 4100 / 2657 5757 / 2658 5757, Fax: +91-79-2658 4040 E-mail: info@gsecl.co.in

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

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

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

Raipur :
Swami Vivekanand Airport, Ramchandi, Naya Raipur, Chhattisgarh - 492015. Phone : 077124 18577

www.gsecl.co.in