



Annual Report 2016

Mahindra Gujarat Tractor Limited

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Board of Directors

Mr. Rajesh Jejurikar
Mr. Pradip Vaidya
Mr. K. Chandrasekar
Mr. Harish Chavan
Mr. Arunkumar Solanki, IAS
Mr. Roopwant Singh, IAS
Mr. C. J. Mecwan
Mr. Chhabildas Patel
(Independent Director)
Mr. Ravindra Dhariwal
(Independent Director)

Statutory Auditors

Bipin & Company
412-302, Center Point,
R.C Dutt Road, Alkapuri, Baroda,
Gujarat, INDIA - 390007

Bankers

State Bank of India
Specialised Commercial Branch
2nd Floor, Trident complex,
Race Course Circle,
Vadodara - 390 007.

Registered Office

Near Vishwamitri Railway
Overbridge, Vishwamitri,
Vadodara - 390011.

Committees of Board

1. Audit Committee

Mr. K. Chandrasekar (Chairman)
Mr. Chhabildas Patel
Mr. Ravindra Dhariwal

2. Nomination & Remuneration Committee

Mr. C. J. Mecwan (Chairman)
Mr. Rajesh Jejurikar
Mr. Chhabildas Patel
Mr. Ravindra Dhariwal

3. Corporate Social Responsibility Committee

Mr. K. Chandrasekar (Chairman)
Mr. C. J. Mecwan
Mr. Ravindra Dhariwal

DIRECTORS' REPORT

Your Directors present their Thirty-Seventh Report, together with the audited financial statement of your Company for the year ended 31st March, 2016.

Financial Highlights and State of Company's Affairs

	(Rs. in Lakhs)	
	For the year ended	
	31st March	
	2016	2015
Income	9,261.75	11,472.76
Profit before depreciation, interest, exceptional item and taxation.....	364.92	810.91
Finance costs.....	132.86	145.86
Depreciation/Amortization.....	77.89	96.93
Profit for the year before exceptional/prior period item and taxation...	154.17	568.12
Exceptional/prior period item - (income)/expense.....	-	(34.14)
Profit before taxation.....	154.17	602.26
Provision for taxation		
- Current tax.....	80.00	152.00
Profit after taxation.....	74.17	450.26
Balance of loss brought forward from earlier years.....	1,894.35	2,313.48
Depreciation adjustment on transition to Schedule II.....	-	31.13
Balance of loss carried to Balance Sheet	1,820.18	1,894.35
Net Worth.....	210.02	135.85

No material changes and commitments have occurred after the close of the year till the date of this Report which would affect the financial position of your Company.

OPERATIONS

The overall industry witnessed a de-growth for second consecutive year. Your Company sold 1,831 tractors as compared to 2,401 tractors in the previous year. Your Company exported 143 tractors to Nepal as compared to 216 tractors in the previous year.

The profit before depreciation, interest, exceptional/prior period item and tax for the year dropped by 55% to Rs. 364.92 lakhs from Rs. 810.91 lakhs in the previous year. The profit after tax for the year stood at Rs. 74.17 lakhs as against Rs. 450.26 lakhs of the previous year, registering de-growth of 84%.

During the year, your Company achieved further improvement in the product quality, productivity, product awareness and implemented various low cost initiatives in the areas of operations.

Looking at the industry potential, your Company is working on aggressive growth plan by promoting existing models as well as developing price competitive variants. With focused market approach, your Company is also in the process of strengthening distribution channel as well as providing retail finance support through financial institutions.

DIRECTORS' REPORT**DIVIDEND**

With a view to conserve resources, your Directors do not recommend any dividend for the year.

RESERVES

The Company does not propose to transfer any amount to reserves.

SHARE CAPITAL

During the year under review, your Company has reclassified 50,00,000 cumulative redeemable preference shares of Rs. 10/- each to 50,00,000 Equity Shares of Rs. 10/- each and the authorised share capital of your Company as on 31st March, 2016 stood at Rs. 60 crore divided into 5,50,00,000 Equity Shares of Rs. 10/- each and 50,00,000 cumulative redeemable preference shares of Rs. 10/ each.

During the year, there was no change in the paid-up share capital of your Company and as on 31st March, 2016, the same stood at Rs. 20.30 Crore divided into 1,53,01,979 equity shares of Rs. 10/ each fully paid-up and 50,00,000 cumulative redeemable preference shares of Rs. 10/- each fully paid-up.

BOARD OF DIRECTORS**Composition:**

Presently the Board comprises of the following directors:

Director (DIN)	Designation	Executive /Non-Executive Director	Independent/ Non-Independent Director
Mr. Rajesh Jejurikar (00046823)	Director	Non-Executive Director	Non-Independent Director
Mr. P. C. Vaidya (03027006)	Director	Non-Executive Director	Non-Independent Director
Mr. K. Chandrasekar (01084215)	Director	Non-Executive Director	Non-Independent Director
Mr. Harish Chavan (06890989)	Director	Non-Executive Director	Non-Independent Director
Mr. Arunkumar Solanki, IAS (03571453)	Director	Non-Executive Director	Non-Independent Director
Mr. Roopwant Singh, IAS (06717937)	Additional Director	Non-Executive Director	Non-Independent Director
Mr. C. J. Mecwan (03596652)	Director	Non-Executive Director	Non-Independent Director
Mr. Chhabildas N Patel (01190815)	Additional Director	Non-Executive Director	Independent Director
Mr. Ravindra Dhariwal (00003922)	Director	Non-Executive Director	Independent Director

DIRECTORS' REPORT

Mr. Ravindra Dhariwal was appointed as an Additional as well as Independent Director of the Company with effect from 31st March, 2015. His appointment as independent Director was made with effect from 30th July, 2015 at the Thirty-sixth Annual General Meeting for a period of five consecutive years. He would not be liable to retire by rotation.

Mr. Ravindra Dhariwal had given a declaration to the effect that he meets the criteria of independence as laid down under Section 149 of the Companies Act 2013

Mr. Arunkumar Solanki, IAS, Principal Secretary, Department of Agriculture and Cooperation, nominated by the Government of Gujarat was appointed as an additional Director of your Company with effect from 21st May 2015. His appointment as a Director was made with effect from 30th July, 2015 at the Thirty-sixth Annual General Meeting.

Mr. Rajesh Manjhu resigned from the Company with effect from 26th August, 2015. The Board places its sincere appreciation on record and acknowledges the valuable contribution and guidance provided by Mr. Rajesh Manjhu during his stint as Director of the Company.

Mr. B.L. Khanna was appointed as a Nominee Director by Board of Industrial and Financial Reconstruction (BIFR) pursuant to the Scheme of Restructuring referred to it. Consequent to the order dated 16th September, 2015 Mr. B.L. Khanna discharged from Directorship of the Company.

Mr. Chhabildas N Patel who had given a declaration to the effect that he meets the criteria of independence as laid down under section 149 of the Companies Act, 2013, has been appointed as an Additional as well as Independent Director with effect from 9th November, 2015 for a period of five consecutive years. He would not be liable to retire by rotation.

Mr. Roopwant Singh, IAS, Joint Secretary (BPE), Finance Department of Government of Gujarat, who was nominated by the Government of Gujarat, was appointed as an Additional Director of the Company with effect from 24th November, 2015.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013, along with the necessary deposit, proposing the candidatures of Mr. Roopwant Singh and Mr. Chhabildas N Patel for their appointment as Directors at the ensuing Annual General Meeting.

Mr. P.C. Vaidya and Mr. Rajesh Jejurikar are liable to retire by rotation at the forthcoming Annual general Meeting and being eligible have offered themselves for re-appointment.

Meetings:

The Board met five times during the year under review on 21st May, 2015, 30th July, 2015, 24th November, 2015, 28th January, 2016 and 11th March, 2016.

DIRECTORS' REPORT

The attendance at the meetings of the Board was as follows:

Name of Director	Number of Board Meetings Attended
Mr. Ravindra Dhariwal	3
Mr. Rajesh Jejurikar	2
Mr. K. Chandrasekar	5
Mr. Chhabildas N. Patel	2
Mr. P. C. Vaidya	5
Mr. Arunkumar Solanki	1
Mr. C. J. Mecwan	4
Mr. Roopwant Singh	2
Mr. Harish Chavan	4
Mr. Rajesh Manjhu*	1
Mr. B.L. Khanna**	2

**Mr. Rajesh Manjhu resigned from the Board with effect from 26th August, 2015.*

***Consequent to the order of Board of Industrial and Financial Reconstruction (BIFR) dated 16th September, 2015 Mr. B.L. Khanna was discharged from Directorship of the Company.*

Evaluation of performance of Directors:

The Nomination and Remuneration Committee carried out an evaluation of the overall performance of each Director covering various aspects such as performance, attendance etc.

The Board of Directors of the Company also carried out an annual evaluation of overall performance of the Independent Directors.

Meeting of Independent Directors:

The Independent Directors of the Company met on 29th December, 2015 without the presence of the Manager or other Non-Independent Directors or Chief Financial Officer or any other Management Personnel. The Meeting was conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

DIRECTORS' REPORT

COMMITTEES OF THE BOARD

Audit Committee:

The Audit Committee comprises of Mr. K. Chandrasekar (Chairman), Mr. Ravindra Dhariwal (Member) and Mr. Chhabildas Patel (Member).

Audit Committee met twice during year, i.e., on 21st May, 2015, and 30th July, 2015

The attendance at the Meetings of the Audit Committee was as follows:

Director	Designation	No. of meetings attended
Mr. K. Chandrasekar	Chairman	2
Mr. Ravindra Dhariwal	Member	2
Mr. B.L. Khanna*	Member	2
Mr. Chhabildas N Patel*	Member	NIL

**Audit Committee was re-constituted with effect from 24th November, 2015 by induction of Mr. Chhabildas N Patel as its member upon withdrawal of nomination of Mr. B.L. Khanna.*

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of Mr. C.J. Mecwan (Chairman), Mr. Rajesh Jejurikar (Member), Mr. Ravindra Dhariwal (Member) and Mr. Chhabildas Patel (Member).

Nomination and Remuneration Committee met twice during year, i.e., on 21st May 2015, and 28th January, 2016.

The attendance at the Meetings of the Nomination and Remuneration Committee was as follows:

Director	Designation	No. of meetings attended
Mr. C.J. Mecwan	Chairman	2
Mr. Rajesh Jejurikar	Member	NIL
Mr. Ravindra Dhariwal	Member	2
Mr. B.L. Khanna*	Member	1
Mr. Chhabildas N Patel	Member	NIL

**Nomination and Remuneration Committee was re-constituted with induction of Mr. Chhabildas Patel as its member upon withdrawal of nomination of Mr. B.L. Khanna effect from 24th November, 2015*

Corporate Social Responsibility Committee (CSR Committee):

The Corporate Social Responsibility Committee comprises of Mr. K. Chandrasekar (Chairman), Mr. C.J. Mecwan (Member) and Mr. Ravindra Dhariwal (Member).

CSR Committee met once during year, i.e., on 21st May, 2015.

The attendance at the Meetings of the CSR Committee was as follows:

Director	Designation	No. of meetings attended
Mr. K. Chandrasekar	Chairman	1
Mr. C. J. Mecwan	Member	1
Mr. P.C. Vaidya*	Member	1
Mr. B.L. Khanna*	Member	1
Mr. Ravindra Dhariwal*	Member	NIL

DIRECTORS' REPORT

**Corporate Social Responsibility Committee was re-constituted with induction of Mr. Ravindra Dhariwal as its member and withdrawal of nomination of Mr. B.L. Khanna and Mr. P. C. Vaidya and with effect from 24th November, 2015*

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, your Company undertook CSR initiatives in the area of sanitation and promoting girl child education. Your Company constructed 15 fully equipped toilets at village, Rayantalavdi, near Vadodara (Gujarat State) and contributed to K.C. Mahindra Education Trust under their 'Nanhi Kali' program that promotes girl child education.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Board has approved a Corporate Social Responsibility policy in accordance with the relevant provisions of Companies Act, 2013. The same may be accessed on the Company's website: <http://www.mahindragujarat.com/CSRPoly.pdf>.

An Annual Report on Corporate Social Responsibility is attached as Annexure I and forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors, based on representation from operating management, and after due enquiry, state that :

- (a) in the preparation of the annual financial statement for the year ended 31st March 2016 the applicable accounting standards have been followed;
- (b) the Directors had in consultation with Statutory auditors 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 on 31 March, 2016 and of the profit of the Company for the financial year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared annual accounts on a going concern basis; and,
- (e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODES OF CONDUCT

Your Company has adopted Codes of Conduct for its Directors, and senior management and employees ("the Codes"). These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos. The Company has, for the year, received declarations from directors, and senior management and employees, affirming compliance with the respective Codes.

DIRECTORS' REPORT**POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND CRITERIA FOR APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

Your Board has, on the recommendation of the Nomination and Remuneration Committee approved policies for the appointment/removal of directors and senior management personnel together with the criteria for determining qualifications, positive attributes and independence of directors, and remuneration of directors, key managerial personnel and other employees.

These policies are provided as Annexure II and form part of this Report.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Key Managerial Personnel of your Company are as below:

1. Mr. Shri Om Tyagi as Manager (with effect from 1st April, 2014),
2. Mr. Ashok Panara as Chief Financial Officer (with effect from 1st April, 2014), and,
3. Mr. Sumeet Maheshwari as Company Secretary (with effect from 16th January, 2016)

Mr. Rahul Neogi resigned as Company Secretary of the Company with effect from 16th January, 2016. Consequently, Mr. Sumeet Maheshwari was appointed as Company Secretary of your Company with effect from the same date.

STATUTORY AUDITORS

At the Thirty-Fifth Annual General Meeting, M/s. Bipin & Co., Chartered Accountants, Vadodara (Firm Registration No. 101509W) were appointed as the Statutory Auditors of your Company to hold office up to the conclusion of Fortieth Annual General Meeting.

Pursuant to the first proviso of Section 139(1) of Companies Act, 2013, the members are requested to ratify appointment of Statutory Auditors at the Thirty-Seventh Annual General Meeting and fix their remuneration.

As required under the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, your Company has obtained a written consent and certificate from the Statutory Auditors to the effect that their appointment, if ratified, would be in conformity with the conditions, limits and criteria specified therein.

Your Directors confirm that the Auditors' Report does not contain any qualification, reservation or adverse remark.

REPORTING OF FRAUDS

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under section 143 (12) of the Companies Act 2013, details of which needs to be mentioned in this report.

STATUS WITH BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

In continuation of the status with BIFR reported in the last report, your Company, at the hearing held on 19th May, 2014, submitted to BIFR that it will endeavour to achieve positive Net-worth by 30th September, 2014 with the help of internal accruals. Accordingly, BIFR directed your Company to file audited accounts as of 30th September, 2014 and the next hearing was fixed on 10th November, 2014. Your Company achieved positive Net-worth as of 30th September, 2014 and that the audited accounts as referred herein above and the Net-worth positive certificate were filed with BIFR.

The BIFR took on record the submissions of your Company, including that it had achieved positive Net-worth and directed State Bank of India (Operating Agency) to submit its recommendation on the status of Net-worth.

The Company filed Misc. Application with BIFR on 3rd August 2015 with Audited Accounts and Net-worth Certificate as of 31st March 2015. BIFR hearing was held on 16th September 2015 and your Directors are happy to inform you that at the said hearing, BIFR discharged your Company from its purview.

INDUSTRIAL RELATIONS

Industrial relations have generally remained cordial throughout the year.

INTERNAL CONTROLS

Your Company has implemented a system of internal controls and monitoring procedures as well as internal financial controls on financial statement and the same is, in the opinion of the Board, commensurate with the Company's size and operations. Your Company regularly conducts reviews to assess the adequacy of financial and operating controls. Significant issues, if any, are brought to the attention of the Audit Committee. Statutory Auditors and Internal Auditor are invited to attend Audit Committee meetings.

RISK MANAGEMENT POLICY

Your Company is exposed to a variety of risks which may impact its operations. These risks are mitigated by using an integrated risk management approach.

Your Company has formulated a risk management policy which provides for evaluation of risks which may threaten the existence of the Company, and facilitates development of a suitable plan to mitigate the same.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, from the public, or its employees, during the year.

Your Company has not, whether directly or indirectly, given loans, made investments, and/or provided guarantees/ securities which are required to be reported under Section 186 of the Companies Act, 2013.

Your Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V, applicable to the parent Company, Mahindra and Mahindra Limited.

DIRECTORS' REPORT**PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES**

All transactions entered into by your Company with its related parties during the year were in the ordinary course of business and at arm's length.

Particulars of material contracts or arrangements or transactions with related parties, referred to under Section 188(1) of the Companies Act, 2013, are furnished in Form AOC-2 as Annexure III and forms part of this Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2016 in form MGT-9 is annexed as Annexure IV and forms part of this Report.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review no complaints were received under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company pursues various safety improvement measures. The safety measures have been on focus throughout the year resulting in an increase in Safety Activity Ratio (S.A.R.) and achieved Zero accident during the year. During the year, operating systems in your Company were certified with Integrated Management System (IMS - ISO 9001:2015 & OHSAS 18001-2007) and awarded certificate from TUV-NORD. All statutory requirements have been adhered to & complied with.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in Annexure V and form part of this report.

GENERAL DISCLOSURE

Your directors state that no disclosure or reporting is required in respect of the following items as they were not applicable to your Company during the year:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any ESOP scheme, etc.

DIRECTORS' REPORT

- c) Disclosure of remuneration of employees under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, since your Company is an unlisted Company.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Company's going concern status and operations in future.

ACKNOWLEDGEMENTS

Your Directors are pleased to take this opportunity to thank the bankers, customers, vendors and all other stakeholders for their co-operation to the Company during the year under review.

For and on behalf of the Board

K.Chandrasekar
Director

P.C. Vaidya
Director

C.J. Mecwan
Director

Mumbai, 5th May, 2016

DIRECTORS' REPORT**ANNEXURE I TO THE DIRECTORS' REPORT****ANNUAL REPORT ON CSR ACTIVITIES OF MAHINDRA GUJARAT TRACTOR LIMITED**

(1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

Weblink: <http://www.mahindragujarat.com/CSRPolicy.pdf>

The objective of the Company's CSR policy is to-

Promote a unified and strategic approach to CSR by incorporating under the 'Rise for Good' umbrella the diverse range of its philanthropic initiatives, and causes to work for thereby ensuring high social impact.

Encourage employees to participate actively in the Company's CSR activities and give back to society in an organized manner through the employee volunteering programme called ESOPs (Employee Social Options).

The Company has pledged to contribute 2% of its average net profits earned during the three immediately preceding financial years towards CSR initiatives to meet the needs of the local communities where it operates.

Our commitment to CSR will be manifested by investing resources in the following thrust areas:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, sanitation, including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation, and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air and water, including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic

DIRECTORS' REPORT

8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects;
11. Slum area development.

The Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for monitoring implementation of the CSR Policy. CSR Committee shall approve and recommend to the Board projects or programmes to be undertaken, the modalities of execution, and implementation schedule thereof.

- (2) The Composition of the CSR Committee: K. Chandrasekar (Chairman),
C. J. Mecwan, and
Ravindra Dhariwal

- (3) Average net profit of the Company for last three financial years : Rs. 554 lakhs

- (4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Rs. 11.08 lakhs

- (5) Details of CSR spent during the financial year.

- (a) Total amount spent for the financial year: Rs. 10.90 lakhs.

- (b) Amount unspent, if any: Rs. 0.18 lakh.

The unspent amount of Rs. 0.18 Lakhs would be carried forward and spent alongwith the CSR spent of 2016-17.

- (c) Manner in which the amount spent during the financial year is detailed below

Sr. No.	Particulars	CSR Expenditure
(1)	CSR project or activity identified	Construction of Toilets and Girl Child Education
(2)	Sector in which the project is covered	Sanitation and Education

DIRECTORS' REPORT

Sr. No.	Particulars	CSR Expenditure
(3)	(1) Projects or programme (2) Local area or other Specify the state and district where projects or programs was undertaken	1. Local Area for Toilets Construction at Rayantalavdi Village near Vadodara, Gujarat 2. Girl Child Education in Nasik, Maharashtra
(4)	Amount outlay (budget project or programme wise)	Construction of Toilets Rs. 5.54 lacs and Girl Child Education Rs.5.54 lacs
(5)	Amount spent on the project or programme Sub Heads: (1) Direct Expenditure on projects or programmes (2) Overheads	Direct Expenditure of Rs. 10.90 lakhs NIL
(6)	Cumulative expenditure up to the reporting period	Rs. 10.90 lakhs
(7)	Amount Spent direct or through implementing agency - Through K. C. Mahindra Education Trust - Directly by Company	Rs. 5.54 Lakhs Rs. 5.36 Lakhs

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

The Company had budgeted to spend an amount of Rs. 5.54 lacs towards building toilets.

However the actual amount spent towards construction and completion of the toilets was Rs. 5.36 lacs, which was less than the budgeted amount by Rs. 0.18 lakhs. The said amount of Rs. 0.18 lakhs would be spent along with CSR spent for the year 2016-17.

7. Your Company's CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board

Mumbai, 5th May, 2016

K.Chandrasekar
Director and
Chairman of the
CSR Committee

P.C. Vaidya
Director

C.J. Mecwan
Director

**ANNEXURE II TO THE DIRECTORS' REPORT
POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT****DEFINITIONS**

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra Gujarat Tractor Limited (MGTL).

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management team of the Company.

"HR" means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- a. Managing Director (MD) or Chief Executive Officer (CEO) or Manager or Whole time Director (WTD)
- b. Chief Financial Officer (CFO), and
- c. Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including functional heads.

I. APPOINTMENT OF DIRECTORS

NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of an individual Board member, NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of a Director as applicable:

1. All Board appointments will be based on merit, in the context of skills, experience, independence and knowledge required for the Board as a whole to be effective.
2. Ability of the candidate to devote sufficient time and attention to professional obligations as an Independent Director for balanced decision making.
3. Adherence to the Code of Conduct and ensuring the highest level of corporate governance, in letter and in spirit, by Directors.

Based on NRC's recommendation, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board, through any member of the Board, will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made there under.

REMOVAL OF DIRECTORS

If a Director is disqualified as per any applicable Act, or rules and regulations thereunder, or due to non-adherence to the applicable policies of the Company, NRC may recommend to the Board, with reasons recorded in writing, removal of a Director subject to compliance of the applicable statutory provisions.

DIRECTORS' REPORT**SENIOR MANAGEMENT PERSONNEL**

NRC shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down above.

For administrative convenience, senior management personnel will be appointed or promoted and removed/relieved with the authority of the Managing Director/CEO/Manager based on business needs and suitability of the candidate.

Managing Director/CEO/Manager shall report details of such appointments to NRC at least twice in a year.

II. SUCCESSION PLANNING:**Purpose**

The Talent Management Policy sets out the approach to the development and management of talent in the Company to ensure implementation of the strategic business plans of the Company.

Board:

Successors for Independent Directors shall be identified by the NRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor(s) will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

Successors for Executive Director(s) shall be identified by the NRC from Senior Management or through external sources as the Board may deem fit.

The Board may also decide at its discretion not to fill a vacancy on the Board.

Senior Management Personnel:

The Company's succession planning program aims to identify high growth individuals, and groom them in order to maintain a robust talent pipeline.

The Company has a process of identifying individuals with high potential and having abilities to hold critical positions. Successors are mapped for such positions in order to ensure talent readiness.

The Company participates in the Mahindra Group's Talent Management process which is driven by a collaborative network of Talent Councils across the Group's various Sectors.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**Purpose**

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra Gujarat Tractor Limited (MGTL).

Policy Statement

Our compensation philosophy strives to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in business.

In order to effectively implement this, our compensation structure is developed through external benchmarking as appropriate, with relevant players across the industry we operate in.

Non-Executive Including Independent Directors

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to Non-Executive Directors, including Independent Directors, whether as commission or otherwise. NRC shall take into consideration various factors such as Director's participation in Board and Committee meetings during the year, other responsibilities undertaken such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may deem fit for determining compensation.

The Board shall determine compensation to Non-Executive Directors within the overall limits specified in the Shareholders' resolution.

Executive Director/Managing Director/Manager

The remuneration to Executive Director(s)/Managing Director/ Manager shall be recommended by NRC to the Board. Remuneration will consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders' resolution. While fixed compensation is determined at the time of their appointment, variable compensation will be determined annually by NRC based on their performance.

Key Managerial Personnel (KMPs)

The remuneration to Manager shall be recommended by NRC to the Board. Remuneration will consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders' resolution. While fixed compensation is determined at the time of their appointment, variable compensation will be determined annually by NRC based on their performance.

The terms of remuneration of the Chief Financial Officer (CFO) and the Company Secretary shall be determined either by any Director or such other person as may be authorised by the NRC.

The above remuneration shall be competitively benchmarked for similar positions in the industry and aligned with their qualifications, experience, and responsibilities. Pursuant to the provisions of section 203 of the Companies Act 2013, the Board shall approve remuneration of the above KMPs at the time of their appointment.

The remuneration to Directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Employees

We follow a position and level based approach for compensation benchmarking with companies in the tractor and related industries.

We have a CTC (Cost to Company) concept which includes a fixed component (guaranteed pay) and a variable component (performance pay). The percentage of the variable component increases with increasing hierarchy levels as employees at higher positions have a greater impact and influence on the Company's overall business result. CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

Performance
Potential
Criticality

DIRECTORS' REPORT

Remuneration for new employees other than KMPs and senior management will be decided by HR, and approved by the Managing Director/Chief Executive Officer/Manager, based on factors such as relevant job experience, last compensation drawn, skill-set of the selected candidate, internal equity and related parameters.

For and on behalf of the Board

K.Chandrasekar
Director

P.C. Vaidya
Director

C.J. Mecwan
Director

Mumbai, 5th May, 2016

DIRECTORS' REPORT
ANNEXURE III TO THE DIRECTORS' REPORT
FORM NO. AOC.2

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 Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

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

Sr. No.	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 or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
-	-	-	-	-	-	-	-	-

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

Sr. No.	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 or transactions including the value, if any (Rs. Lacs)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Mahindra & Mahindra Ltd. (Holding Company)	Purchase of Tractors	Financial year ended 31 st March, 2016	1,925.62	Not Applicable	-
2	Mahindra & Mahindra Ltd. (Holding Company)	Purchase of Components of Tractors	Financial year ended 31 st March, 2016	1,336.21	Not Applicable	-
3	Mahindra & Mahindra Ltd. (Holding Company)	Sale of Tractors and its Components	Financial year ended 31 st March, 2016	166.30	Not Applicable	-
4	Mahindra & Mahindra Ltd. (Holding Company)	Services Received for Employees on Deputation	Financial year ended 31 st March, 2016	166.99	Not Applicable	-
5	Mahindra & Mahindra Ltd. (Holding Company)	Expenses Reimbursed	Financial year ended 31 st March, 2016	41.29	Not Applicable	-
6	Mahindra & Mahindra Ltd. (Holding Company)	Interest on ICD	Financial year ended 31 st March, 2016	73.33	Not Applicable	-
7	Mahindra Logistics Ltd. (Fellow Subsidiary)	Logistics Services Received	Financial year ended 31 st March, 2016	307.81	Not Applicable	-

DIRECTORS' REPORT

Note: for the purpose of materiality, the following criteria have been considered.

- 10% of Turnover of the Company or Rs. One hundred crore, whichever is lower is considered material for the purpose of disclosure in respect of contracts/transactions/arrangements for sale, purchase, or supply of any goods or materials.
- 10% of Net-worth of the Company or Rs. One hundred crore, whichever is lower is considered material for the purpose of disclosure in respect of Contracts/transactions/arrangements for selling or otherwise disposing of or buying property of any kind.
- 10% of the Net-worth of the Company or 10% of turnover of the Company or Rs. One hundred crore, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts/transactions/arrangements for leasing of property of any kind.
- 10% of Turnover of the Company or Rs. Fifty crores, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts /transactions/ arrangements for rendering of services.

For and on behalf of the Board

K.Chandrasekar
Director

P.C. Vaidya
Director

C.J. Mecwan
Director

Mumbai, 5th May, 2016

DIRECTORS' REPORT
ANNEXURE IV TO THE DIRECTORS' REPORT
Form No. MGT-9
Extract of Annual Return as on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

i.	Corporate Identification Number (CIN)	:	U34100GJ1978PLC003127
ii.	Registration Date	:	31 st March, 1978
iii.	Name of the Company	:	Mahindra Gujarat Tractor Limited
iv.	Category/Sub Category of the Company	:	Indian Non-Government Company Limited by shares
v.	Address of the Registered office and contact details	:	Near Vishwamitri Railway Overbridge, Vishwamitri, Vadodara – 390011, Gujarat Tel.: +91-265-2311617/2339547 Fax: +91-265-2338015/2338156 Contact: maheshwari.sumeet@mahindra.com
vi.	Whether listed company Yes/No	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	–

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:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Tractors	28211	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Mahindra and Mahindra Limited	L65990MH1945PLC004558	Ultimate Holding Company	60%	2 (46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)
I) Category wise-Share Holding:

Category of Shareholders	No. of shares held at the beginning of the year				No. 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. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	61,20,791	61,20,791	40	-	61,20,791	61,20,791	40	-
d) Bodies Corp.	-	91,81,188	91,81,188	60	-	91,81,188	91,81,188	60	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub - total (A)(1)	-	15,301,979	15,301,979	100	-	15,301,979	15,301,979	100	

DIRECTORS' REPORT

Category of Shareholders	No. of shares held at the beginning of the year				No. 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	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub - total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	15,301,979	15,301,979	100	-	15,301,979	15,301,979	100	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp./Corporate incorporated outside India	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	15,301,979	15,301,979	100	-	15,301,979	15,301,979	100	-

DIRECTORS' REPORT
(ii) Shareholding of Promoters (equity):

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of share pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of share pledged/encumbered to total shares	
1.	Mahindra & Mahindra Limited	16,83,211	11	-	16,83,211	11	-	-
2.	Mahindra & Mahindra jointly with Mr. Ashutosh Vidwans	1	-	-	1	-	-	-
3.	Mahindra & Mahindra jointly with Mr. Rajeev Goel	1	-	-	1	-	-	-
4.	Mahindra & Mahindra jointly with Mr. Bishwambar Mishra	1	-	-	1	-	-	-
5.	Mahindra & Mahindra jointly with Mr. Harish Chavan	1	-	-	1	-	-	-
6.	Mahindra & Mahindra jointly with Mr. S. Durgashankar	1	-	-	1	-	-	-
7.	Mahindra & Mahindra jointly with Mr. Ashkok Kumar Panara	1	-	-	1	-	-	-
8.	Mahindra & Mahindra jointly with Mr. Shri Om Tyagi	1	-	-	1	-	-	-
9.	Mahindra Holdings Limited	74,97,970	49	-	74,97,970	49	-	-
10.	Governor of Gujarat	61,20,784	40	-	61,20,784	40	-	-
11.	Governor of Gujarat Jointly with Mr. M.B. Soni	1	-	-	1	-	-	-
12.	Governor of Gujarat jointly with Mr. A. M. Choudhary	1	-	-	1	-	-	-
13.	Governor of Gujarat jointly with Mr. R.T. Christian	1	-	-	1	-	-	-
14.	Governor of Gujarat jointly with Mr. S. R. Choudhary	1	-	-	1	-	-	-
15.	Governor of Gujarat jointly with Mr. K. D. Panchal	1	-	-	1	-	-	-
16.	Governor of Gujarat jointly with Mr. B. M. Jadhav	1	-	-	1	-	-	-
17.	Governor of Gujarat jointly with Mr. G. K. Thakor	1	-	-	1	-	-	-
	Total	15,301,979	100	-	15,301,979	100	-	-

DIRECTORS' REPORT

(iii) Change in Promoters' Shareholding (Equity) (please specify, if there is no change):

Sr. 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	At the beginning of the year	15,301,979	100	15,301,979	100
	Change	–	–	–	–
	At the End of the year	15,301,979	100	15,301,979	100

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

Sr. No.	Name of the Shareholder:	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	At the beginning of the year	-	-	-	-
	Change	-	-	-	-
	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	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	Mr. Shri Om Tyagi (Jointly with Mahindra & Mahindra Limited)				
	At the beginning of the year	1	-	1	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	1	-	1	-
2	Mr. Ashok Kumar Panara (Jointly with Mahindra & Mahindra Limited)				
	At the beginning of the year	1	-	1	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	1	-	1	-
3	Mr. Harish Chavan (Jointly with Mahindra & Mahindra Limited)				
	At the beginning of the year	1	-	1	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	1	-	1	-

DIRECTORS' REPORT
V. INDEBTEDNESS

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	120.49	901.83	-	1,022.32
ii) Interest due but not paid	-	806.71	-	806.71
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	120.49	1,708.54	-	1,829.03
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	(120.49)	-	-	(120.49)
Net Change	(120.49)	-	-	(120.49)
Indebtedness at the end of the financial year				
i) Principal Amount	-	901.83	-	901.83
ii) Interest due but not paid	-	806.71	-	806.71
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1,708.54	-	1,708.54

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTM/Manager	Total Amount
		S. O. Tyagi, Manager	
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.20	29.20
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of Profit	-	-
	- others, specify... Fees	-	-
5	Others, please specify	-	-
	Total (A)	29.20	29.20
	Ceiling as per the Act		30.00

DIRECTORS' REPORT
B. Remuneration to other directors:

(Rs. Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total
		Mr. Ravindra Dhariwal	Mr. B. L. Khanna (upto 30/7/2015)	Mr. Chhabildas Patel (from 24/11/2015)	
1	Independent Directors				
	• Fee for attending board/committee meetings	1.00	0.70	0.40	2.10
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	-	-	-	2.10
2	Other Non- Executive	-	-	-	-
	• Fee for attending board/committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	2.10
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				30.00

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
	a) Salary as per provisions	-	3.32	18.19	21.51
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify... Fees	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	3.32	18.19	21.51

DIRECTORS' REPORT
VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

K.Chandrasekar
Director

P.C. Vaidya
Director

C.J. Mecwan
Director

Mumbai, 5th May, 2016

DIRECTORS' REPORT

ANNEXURE V TO THE DIRECTORS' REPORT PARTICULARS AS PER THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

- (a) the steps taken or impact on conservation of energy:
During the year, your Company has taken following initiatives for conservation of energy:
Optimum utilization of the plant & machinery.
Maintain power factor at unity (0.999)
Energy saver engine testing dynamometer.
Acoustic enclosure for Tractor PTO Testing - reduces noise.
- (b) the steps taken by the company for utilizing alternate sources of energy:
Replacement of asbestos roof sheets in select portion with transparent sheets to use natural light resulted to improve lux level
Provision of Air circulator to improve air changeover.
- (c) the capital investment on energy conservation equipment's:
Installation of new energy efficient paint kitchen.
Roof ventilators with Natural lighting,
Introduction of LED lights/ Solar lamps.

B. TECHNOLOGY ABSORPTION

- i) the efforts made towards technology absorption:
Areas in which Research & Development is carried out:
Keeping in view the future requirements of technological up-gradation, your Company has undertaken various programs like development of tractor to meet future regulatory norms in India and also upgrade some models with improved aesthetics.
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution:
During the year under review, pursuant to R&D efforts on development of new features, company introduced Dual clutch, Power steering feature in Farmplus series of Tractor from 35 hp to 60 hp.
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – NIL
(a) the details of technology imported: 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 : **(Rupees in Lakhs)**
(a) Capital Expenditure Rs. 19.32
(b) Recurring Expenditure Rs. 13.83

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(in terms of actual inflow and outflow)

Total Foreign Exchange Earned and Used:

	For the Financial Year Ended 31 st March, 2016	(Rupees in Lakhs) For the Financial Year ended 31 st March, 2015
Total Foreign Exchange Earned	NIL	NIL
Total Foreign Exchange Used	NIL	NIL

For and on behalf of the Board

K.Chandrasekar
Director

P.C. Vaidya
Director

C.J. Mecwan
Director

Mumbai, 5th May, 2016

INDEPENDENT AUDITORS' REPORT

To,
The Member,
MAHINDRA GUJARAT TRACTOR LIMITED.

We have audited the accompanying standalone financial statements of **MAHINDRA GUJARAT TRACTOR LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under.

We had 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 evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note No: 25.14 – During the year company write back unclaimed security deposits of Debtors of Rs: 104.73 Lacs and booked it under the head of “Other Income”
- b) Note No: 25.15 – Profit on sale of Fixed Assets of Rs: 148.67 Lacs booked during the year through sale of Old & Unused Fixed Assets by The Company.

Our opinion is not modified in respect of these matters.

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 in terms of Section 143(11) of the Act, We give in the “Annexure-A” a statement on the matter specified in paragraph 3 and 4 of the order to the extent applicable.
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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure- B”; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note: 25.2 to the financial statements;
 - II. The Company did not have any long-term Contracts including derivative contract for which there were any material foreseeable losses.
 - III. There were no amounts which required to be transferred to Investor Education and Protection Fund by the Company.

For BIPIN & COMPANY
Chartered Accountants
Firm No: 101509W

PRADEEP K AGRAWAL
PARTNER
M.NO: 116612

PLACE : VADODARA
DATE : 05.05.2016

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the account of Mahindra Gujarat Tractor Limited for the year ended on 31st March, 2016)

- I.
 - (a) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified by the Management in accordance with a regular programme of verification which, in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The company hold title of all immovable property held by the company.
- II.
 - (a) As explained to us, inventories were physically verified by the Management during once in a year and any discrepancy had been noticed during physical verification were properly dealt with in books of Account.
- III. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the period under perusal.
- IV. According to information and explanation provided to us, Section 185 and 186 of the Companies Act, 2013 had been complied in respect of Loans, Investments, guarantees and securities.
- V. According to information and explanation provided to us, the company had not accepted any deposits during the year under review, accordingly the provision of clause 3(v) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.
- VI. As per the Notification No: 1/40/2013 dated 31st December, 2014, the Central Government exempt automobile industries from the preview of Cost Audit, hence it is not applicable to company, under section 148 (1) of the Companies Act, 2013.
- VII.
 - (a) According to information and explanation given to us, no undisputed amount payable in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess were in arrears as at 31st March, 2016 for a period of more than six month from the day they become payable.
 - (b) Details of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, and cess which have not been deposited as on 31st March, 2016 on account of dispute are given below.

Name of Statute	Nature of Dues	Amount in Lakhs	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1962	Income Tax	4.22	AY 1961-62	Assessing Officer
The Income Tax Act, 1962	Income Tax	1.90	AY 1978-79	Assessing Officer
The Income Tax Act, 1962	Income Tax	0.02	AY 2005-06	Assessing Officer
The Income Tax Act, 1962	Income Tax	28.45	AY 2013-14	CIT-Appeal

- VIII. According to information and explanation given to us the company had not defaulted in repayment of dues to financial institution or bank.
- IX. According to information and explanation given to us, no money has been raised by way of initial public offer (including debt instrument) and term loan during the year under review hence clause 3(ix) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.
- X. According to information and explanation given to us no fraud on or by the company has been noticed or reported during the year.
- XI. According to information and explanation provided to us, managerial remuneration has been paid and provided in accordance with the requisite approval mandate by the provision of section 197 read with Schedule V of the Companies Act, 2013
- XII. According to information and explanation provided to us, clause 3(xii) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.
- XIII. According to information and explanation provided to us, all transaction with the related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and all applicable details have been disclosed in the Financial Statement as required by the applicable accounting standard.
- XIV. According to information and explanation provided to us, Company has not made any preferential allotment or private placement of share or fully or partly convertible debenture during the year under review hence clause 3(xiv) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.
- XV. According to information and explanation provided to us, Company has not entered into any non-cash transaction with directors or person connected with him hence, clause 3(xv) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.
- XVI. According to information and explanation provided to us, Company is not required to register under section 45IA of the Reserve Bank of India Act, 1934 hence, clause 3(xvi) of the Companies (Auditor's Report) order, 2016 are not applicable to the company.

For BIPIN & COMPANY
Chartered Accountants
Firm No: 101509W

PRADEEP K AGRAWAL
PARTNER
M .NO: 116612

PLACE: VADODARA
DATE: 05.05.2016

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**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 Mahindra Gujarat Tractor Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **BIPIN & COMPANY**
Chartered Accountants
Firm No: 101509W

PRADEEP K AGRAWAL
PARTNER
M .NO: 116612

PLACE: VADODARA
DATE: 05.05.2016

Balance Sheet as at 31st March , 2016
Rupees in Lakhs

Sr. No	Particulars	Notes	As at 31-Mar-16	As at 31-Mar-15
I. EQUITY AND LIABILITIES				
1 Shareholder's Funds :				
	(i) Share capital	3	2,030.20	2,030.20
	(ii) Reserves and surplus	4	(1,603.05)	(1,677.22)
			427.15	352.98
2 Non Current Liabilities :				
	(i) Deferred tax liabilities (Net)		-	-
	(ii) Other long term liabilities		-	-
	(iii) Long term provisions	5	270.67	309.75
			270.67	309.75
3 Current Liabilities :				
	(i) Short term borrowings	6	585.00	705.49
	(ii) Trade payables	7	2,892.67	2,538.37
	(iii) Other current liabilities	8	2,090.34	2,364.35
	(iv) Short term provisions	9	101.84	80.19
			5,669.85	5,688.40
	Total.....		6,367.67	6,351.13
II. ASSETS				
1 Non Current Assets :				
	(a) Fixed assets	10		
	(i) Tangible assets		659.22	682.45
	(ii) Intangible assets		0.91	5.52
	(iii) Intangible assets under development		-	-
			660.13	687.97
	(b) Non-current investments	11	-	-
	(c) Long term loans and advances	12	30.32	44.27
			690.45	732.24
2 Current Assets :				
	(a) Inventories	13	1,040.52	1,701.16
	(b) Trade receivables	14	4,146.31	3,482.81
	(c) Cash and bank balances	15	318.94	268.96
	(d) Short term loans and advances	16	169.49	163.88
	(e) Other current assets	17	1.96	2.08
			5,677.22	5,618.89
	Total.....		6,367.67	6,351.13

The accompanying notes 1 to 25 are an integral part of the Financial Statements

In terms of our report attached

For **Bipin & Company**
Chartered Accountants
Firm Regn.no : 101509W

CA. Pradeep K Agrawal
Membership No.: 116612
Partner

Place : Vadodara
Date : 5th May 2016

For and on behalf of the Board of Directors

K.Chandrasekar
C.J. Mecwan
Shri Om Tyagi
Ashok Panara
Sumeet Maheshwari

Director
Director
Manager
Chief Financial Officer
Company Secretary

Place : Mumbai
Date : 5th May 2016

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

Rupees in Lakhs

Sr. No	Particulars	Notes	Year ended on 31-Mar-16	Year ended on 31-Mar-15
I.	Gross Revenue from Sale of Products and Services	18	8,744.73	11,159.12
	Less : Excise Duty		33.63	45.44
	Net Revenue from Sale of Products and Services		8,711.10	11,113.68
	Other Operating Revenue		88.79	80.53
	Revenue from Operations (Net)		8,799.89	11,194.21
II.	Other income	19	461.86	278.55
III.	Total revenue (I+II)		9,261.75	11,472.76
IV.	Expenditure			
(i)	Cost of materials consumed	20	3,907.76	4,923.87
(ii)	Purchase of stock in trade		1,925.62	2,855.41
(iii)	Changes in inventories of finished goods, work-in-progress and stock in trade	21	489.04	400.73
(iv)	Employee benefits expense	22	1,129.56	1,081.52
(v)	Finance costs	23	132.86	145.86
(vi)	Depreciation and amortisation expense	10	77.89	96.93
(vii)	Other expenses	24	1,444.85	1,400.32
	Total expenditure		9,107.58	10,904.64
V	Profit Before Exceptional Item & Tax (III-IV)		154.17	568.13
VI	Exceptional Item - Expense /(Income)			
	- Surplus of Depreciation due to Change in Method	25.5	-	(173.26)
	- Compensation to Co-Op. Societies	25.6	-	134.29
VII	Prior Period Item	25.9	-	4.83
VIII.	Profit Before Tax (V + VI-VII)		154.17	602.26
IX.	Less : Tax expense			
	- Current tax		80.00	152.00
	- Deferred tax		-	-
X.	Profit from continuing operations (VIII-IX)		74.17	450.26
XI	Earnings per share (of Rs.10 each)	25.10		
	(1) Basic		0.16	2.75
	(2) Diluted		0.16	2.75

The accompanying notes 1 to 25 are an integral part of the Financial Statements

In terms of our report attached

 For **Bipin & Company**
 Chartered Accountants
 Firm Regn.no : 101509W

 CA. Pradeep K Agrawal
 Membership No.: 116612
 Partner

 Place : Vadodara
 Date : 5th May 2016

For and on behalf of the Board of Directors

 K.Chandrasekar
 C.J. Mecwan
 Shri Om Tyagi
 Ashok Panara
 Sumeet Maheshwari

 Director
 Director
 Manager
 Chief Financial Officer
 Company Secretary

 Place : Mumbai
 Date : 5th May 2016

Cash Flow Statement for the year ended on 31st March , 2016
Rupees in Lakhs

Sr. No	Particulars	Year Ended On 31-Mar-16	Year Ended On 31-Mar-15
A:	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax as per Statement of Profit and Loss	154.17	602.26
	Adjusted for:		
	Depreciation/Amortisation	77.89	96.93
	Exceptional Item (Surplus of Depreciation due to Change in Method)	-	(173.26)
	Provision for doubtful debts and advances	94.16	23.40
	Profit on Sale of Fixed Assets	(148.67)	-
	Write back of unclaimed security deposits of Dealers	(104.73)	-
	Provisions written back	(83.96)	(91.06)
	Interest and Finance Charges	124.05	138.37
	Operating Profit before Working Capital Changes	112.91	596.65
	Adjusted for:		
	(Increase) / Decrease in Trade and Other Receivables	(749.21)	(1,432.14)
	(Increase) / Decrease Inventories	660.64	258.75
	Increase / (Decrease) Current Liabilities and Provisions	218.32	517.13
		129.75	(656.26)
	Cash Generated from Operations	242.66	(59.62)
	Taxes paid (net of refunds)	(47.05)	(131.47)
	Net Cash Generated from Operating Activities	195.61	(191.10)
B:	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(69.31)	(98.63)
	Sale of Fixed Assets	167.93	-
	Net Cash used in Investing Activities	98.62	(98.63)
C:	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings (Cash Credit from SBI)	-	120.49
	Repayment of Borrowings	(120.49)	-
	Interest Paid	(124.05)	(138.37)
	Net Cash used in Financing Activities	(244.54)	(17.88)
	Net Increase / (Decrease) in Cash and Cash Equivalents	49.69	(307.61)
	Opening Balance of Cash and Cash Equivalents	258.66	566.26
	Closing Balance of Cash and Cash Equivalents	308.35	258.66

Notes

1. The above statement has been prepared under Indirect Method as per the Accounting Standard on Cash Flow Statement (AS -3).

	As at 31-Mar-2016	As at 31-Mar-2015
Cash on Hand	0.76	1.72
Cheques on Hand	227.04	256.15
With Scheduled Banks		
- in current accounts	0.40	0.79
- in margin money accounts		
- in Cash Credit accounts (Debit Balance)	80.15	-
- in Fixed deposit accounts having lien		
- in Fixed deposit accounts	-	-
	308.35	258.66

In terms of our report attached
For Bipin & Company
Chartered Accountants
Firm Regn.no : 101509W

CA. Pradeep K Agrawal
Membership No.: 116612
Partner

Place : Vadodara
Date : 5th May 2016

For and on behalf of the Board of Directors

K.Chandrasekar	Director
C.J. Mecwan	Director
Shri Om Tyagi	Manager
Ashok Panara	Chief Financial Officer
Sumeet Maheshwari	Company Secretary

Place : Mumbai
Date : 5th May 2016

Notes forming part of financial statements**1 Corporate Information**

Gujarat Tractor Corporation Limited (GTCL) a Public Limited Company domiciled in India and incorporated on 31st March, 1978 under the provisions of the Companies Act, 1956 (CIN : U34100GJ1978PLC003127) and a Government of Gujarat Undertaking. As a part of Disinvestment by Government of Gujarat, the Mahindra & Mahindra Ltd. acquired 60% stake in Equity Shares of the Company in 1999-2000. The name of the Company changed to Mahindra Gujarat Tractor Limited (MGTL / the Company) in the year 2000. Currently Mahindra Group hold 60% and Government of Gujarat hold 40% Equity in the Company. The Company is engaged in the Manufacture and Sale of Tractors under the brand name "Shaktimaan", "Hindustan", "Farm Plus" and spares of the same. The Company carries out its business activities in India and Nepal. The Factory and Registered Office of the Company is located at Vishwamitri, Vadodara, Gujarat and Sales & Distribution Offices and Yards in major States of India.

Company's Operations turned down to unprofitable due to variety of factors such as old technology, downturn in the tractor industry, inadequate marketing structure, liquidity etc. resulted in network eroded as at 31st March, 2002 and Company had filed reference to the Board for Industrial and Financial Reconstruction (BIFR). BIFR order dated 19th July, 2004 declared the Company as a sick industrial undertaking under section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985(the Act). Consequent to the hearing held on 27th March 2008, the Company has submitted revised Rehabilitation Scheme under section 17(2) of the act to the BIFR authorities. BIFR has since appointed State Bank of India (SBI) as an Operating Agency (OA) and instructed them to submit DRS (Draft Rehabilitation Scheme) under Section 17(3). Accordingly SBI had submitted DRS to BIFR. Hearing held on 23rd April 2009 and BIFR, vide its order dated 11th May, 2009 among other things directed SBI to consider the Contingent liabilities and other issues in DRS. BIFR has also rejected Company's submission of modifying the condition of any shortfall in projected cash flow will be made by Mahindra & Mahindra Limited. The Company has filed an appeal with the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the said order of BIFR.

'BIFR in its hearings on 27th October and 22nd December 2010 directed the Company to submit the Revised DRS taking cut off date as 31st December 2010 to SBI (OA) and BIFR, consequently AAIFR has discharged the appeal. In line with BIFR directive the Company had submitted Revised DRS cum Merger Scheme to SBI (for review and vetting) and BIFR on 18th February 2011. SBI(OA) had vetted and submitted the revised DRS to the BIFR on 18th October 2011. Government of Gujarat had stated at the BIFR hearing held on 31st Oct, 2012 that Merger is not agreeable to them. In the hearing held on 6th February, 2013 at BIFR, Government of Gujarat submitted that they are agreeable to infuse Equity Share Capital. Mahindra & Mahindra Ltd and Government of Gujarat had agreed to infuse equity capital in the Company in the proportion of their existing holding.

In the hearing held on 17th June, 2013, Government of Gujarat proposed to convert their loan into equity in terms of section 81(1)(4) of the Companies Act, 1956. Mahindra & Mahindra Limited filed Misc. Application no.562/2013 on 28th October, 2013, praying to direct the SBI (OA) to consider the DRS submitted by Mahindra & Mahindra Limited to formulate and submit its fully tied up DRS for MGTL for consideration of BIFR. Hearing of MA no.562/2013 was held on 7th November, 2013. Government of Gujarat filed Misc. Application no.111/2014 praying to permit/allow to approach Central Government in terms of section 81(1)(4) of the Companies Act, 1956 to convert their loan into equity. Hearing of the same was held on 26th February, 2014 wherein BIFR directed Government of Gujarat to serve MA to all concerned. Next date of the hearing of main case and both MA had been fixed for 19th May, 2014. At the hearing held on 19th May, 2014 the Company had submitted that it will make network positive by 30th September 2014 by its internal accruals. The BIFR had directed the Company to file audited accounts

Notes forming part of financial statements

as of 30th September 2014 to BIFR and next date of hearing fixed up for 10th November, 2014. Company has submitted audited accounts and networth certificate as of 30th Sept'14, BIFR heard on 10th November 2014 and taken on record the submissions of the Company and directed SBI(OA) to submit its recommendation on the status of Networth.

Company has filed Misc. Application with BIFR on 3rd August 2015 with Audited Accounts and Networth Certificate as of 31st March 2015. BIFR hearing held on 16th September 2015 whereat the Company has been discharged by the BIFR from its purview.

The accumulated losses as at the year end are lower than the paid up Share Capital and Reserves of the Company by Rs.427.15 lakhs (as of 31st March 2015, accumulated losses were in excess of paid up share capital and reserves for Rs.352.98 lakhs). The Company has made a profit after tax of Rs.74.17 lakhs in the current financial year as against profit after tax of Rs.450.26 lakhs in the financial year 2014-15. The management expects further improvement in the profitability and consequently in the net worth of the Company considering steps taken for operational efficiency, cost reduction and strengthening of the marketing set up and exploration of newer markets. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

2 Significant Accounting Policies**2.1 Basis of Preparation of Financial Statement**

The Financial statements are prepared in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under assumption of going concern on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, except those specifically mentioned at respective places.

2.2 Use of Estimates

The Preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the same are known / materialized.

2.3 Fixed Assets**(a) Tangible Assets**

All fixed assets are stated at cost of acquisition less accumulated depreciation, except for land, which is freehold and is therefore stated at cost. Cost is net of specific grant received, if any. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, is recognised.

Certain fixed assets were transferred to various Industrial Co-operative Societies on hire purchase basis, had been reduced from the Gross Block of Fixed Assets of the Company in the year of actual transactions in past, but they still remain the property of this Company till the last instalment is paid.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Statement of Profit and Loss.

Notes forming part of financial statements

(b) Intangible Assets

All intangibles assets are initially measured at cost and amortized so as to reflect the pattern in which asset's economic benefits are consumed.

(a) Development Expenditure

The expenditure incurred on technical services and other project / product related expenses are amortised over the estimated period of benefits, not exceeding five years.

(b) Software Expenditure

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

2.4 Impairment of Assets

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flow expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of Profit and Loss, except in case of revalued assets.

2.5 Depreciation / Amortisation

The Company has revised its policy of providing depreciation on fixed assets effective 1st April 2014. Depreciation is now provided on straight line basis for all assets as against the previous policy of providing on written down value basis. As a result of change in method of depreciation from WDV to SLM and recomputation of depreciation retrospectively, Surplus arised for the period prior to 1st April, 2014 has been shown as an "Exceptional Item" in the Statement of Profit & Loss.

During the period ended on 31 Mar'15, the Company has realigned its depreciation policy in accordance with Schedule-II to Companies Act, 2013. Consequently w.e.f. 1st April 2014 : (a) carrying value of assets is now depreciated over its revised remaining useful life. (b) where the remaining useful life of the assets is 'Nil' as on 1st April 2014, carrying value of assets after retaining the residual value has been recognised in the opening reserves in accordance with transitional provision of note 7(b) of Schedule-II of the Companies Act, 2013

The Company has adopted the useful life as it is as provided in the Schedule-II of the Companies Act, 2013 without technical evaluation of useful life of the Assets.

Depreciation / Amortisation on fixed assets other than on freehold land and capital work-in-progress is charged so as to write off the cost of assets over its useful life , keeping 5% residual value on the following basis

Type of Assets	Method	Useful Life (Years)
Tangible Assets		
Buildings - Non Factory	Straight line	60
Buildings - Factory	Straight line	30
Plant & Machineries Jigs & Fixtures Pattern & Moulds	Straight line	15

Type of Assets	Method	Useful Life (Years)
Tangible Assets		
Furniture & Fixtures Electrical Installations	Straight line	10
Motor Vehicles - Cars & Tractors	Straight line	8
Computers - Servers & Network	Straight line	6
Office Equipments	Straight line	5
Computers-Enduse devices (Desktop, Laptop, Printers etc.)	Straight line	3
Assets values < Rs.5000	Straight line	1
Intangible Assets		
Development Expenditure	Straight line	5
Softwares	Straight line	3

2.6 Investments

Long Term Investments are valued at cost. However, provision for diminution in the value of long term investments is made only if such a decline is other than temporary. Current investments are valued at the lower of cost and fair value, determine by category of investment.

2.7 Inventories

Inventories comprise of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw Materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for trading, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower.

Stores, Spares and Tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

2.8 Employees Benefits

Company's Contributions paid /payable during the year to PF, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Company's Liability towards Gratuity and long term compensated absences schemes are determined by independent actuaries, using the projected unit credit method. Actuarial gains and losses are recognised immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefits obligation.

2.9 Revenue Recognition

Sales of products and services are recognised when the products are dispatched/shipped or services rendered. Export benefits are recognised in the year in which the exports are made and there exists no significant uncertainties as to the measurement or ultimate recovery of the amount.

Notes forming part of financial statements

Interest income in respect of delayed payment from customers is recognised when ultimate realisation is confirmed by concerned customer.

Amount in respect of unclaimed security deposit, earnest money deposits, and misc. deposits of distributors and dealers that are pending for more than three years are considered as income after review by the management.

Income from sale of scrap are accounted for on the basis of actual realisation.

Other Income except mentioned above are recognised on accrual basis except when ultimate realisation of such income is uncertain.

2.10 Excise Duties

Excise duties (including industrial cess) recovered are included in the Sale of Products (Gross). Excise Duty (including industrial cess) in respect of Finished Goods are shown separately as an item of Manufacturing and other expenses and included in the valuation of finished goods.

2.11 Borrowing Costs :

All Borrowing Costs are charged to the Statement of Profit and Loss except :

(i) Borrowing costs that are attributable to the acquisition or construction of assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.

(ii) Expenses incurred on raising long term borrowings are amortised over the period of borrowings. on early buyback, conversion or repayment of borrowings, any unamortised expenditure is fully written off in that year.

2.12 Product Warranty

In respect of the warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

2.13 Leases

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, etc.) . The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally and are usually renewable by mutual consent or agreed terms. The aggregate lease rentals payable are charged as rent.

2.14 Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets arising on account of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is a virtual certainty supported by convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are determined based on management estimate

Notes forming part of financial statements

which are based on technical valuation and past experience to settle the obligation at the Balance Sheet date and are not discounted to its present value. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets neither recognised nor disclosed in the financial statements. These are reviewed at each balance sheet date and adjusted to reflect the current estimates by the management

2.16 Prior Period Adjustment

All identifiable/decided items of income and expenditure pertaining to prior period which were not provided accounted in earlier years are accounted through prior period adjustment.

2.17 General

Accounting policies not specifically referred to are consistent with Generally Accepted Accounting Practice of India.

Notes forming part of financial statements
Note 3 Share Capital

Particulars	As at 31-Mar-16		As at 31-Mar-15	
	Nos	Rupees in Lakhs	Nos	Rupees in Lakhs
A Authorised				
1 Equity Shares of Rs.10 each	5,50,00,000	5,500.00	5,00,00,000	5,000.00
2 8.5% Cumulative Redeemable Preference Shares of Rs.10 each	50,00,000	500.00	1,00,00,000	1,000.00
Total.....	6,00,00,000	6,000.00	6,00,00,000	6,000.00
B Issued, Subscribed and Fully Paid up				
1 Equity Shares of Rs.10 each	1,53,01,979	1,530.20	1,53,01,979	1,530.20
Add : Additions	-	-	-	-
Less : Deductions	-	-	-	-
Closing Balance	1,53,01,979	1,530.20	1,53,01,979	1,530.20
2 8.5% Cumulative Redeemable Preference Shares of Rs.10 each	50,00,000	500.00	50,00,000	500.00
Add : Additions	-	-	-	-
Less : Deductions	-	-	-	-
Closing Balance	50,00,000	500.00	50,00,000	500.00
Total (Equity + Preference)....	2,03,01,979	2,030.20	2,03,01,979	2,030.20
Total.....	20,301,979	2,030.20	20,301,979	2,030.20

Notes :

- Shares held by Holding / ultimate Holding Company and details of shareholders holding more than 5% shares in the Company :

Particulars	As at 31-Mar-16		As at 31-Mar-15	
	Rupees in Lacs	% of share holding	Rupees in Lacs	% of share holding
Equity Shares				
Mahindra Holdings Limited (Holding Company) 74,97,970 Equity Shares of Rs.10 each fully paid	749.80	49%	749.80	49%
Mahindra & Mahindra Ltd. (Ultimate Holding Company) 16,83,218 Equity Shares of Rs.10 each fully paid	168.32	11%	168.32	11%
Government of Gujarat 61,20,791 Equity Shares of Rs.10 each fully paid	612.08	40%	612.08	40%
Total Equity Share Capital	1,530.20	100%	1,530.20	100%
Preference Shares				
Government of Gujarat 8.5% Cumulative Redeemable Preference Shares of Rs.10 each fully paid up	500.00	100%	500.00	100%

Notes forming part of financial statements**2 Details of the Rights, preferences, and restrictions attaching to each class of the shares.****2.1 I. Issued and Subscribed Capital includes- Equity Share Capital**

- a. 1,500,000 Equity Shares of Rs.10 each issued to Government of Gujarat as fully paid up, without receiving payment in cash, being the consideration for transfer of the undertaking of Hindustan Tractors Limited to the Company.
- b. 11,979 Equity Shares of Rs.10 each issued to Government of Gujarat as fully paid up, being the reimbursement of preliminary expenses incurred by them on the formation of the Company.
- c. 13,790,000 Equity Shares of Rs.10 each issued to Government of Gujarat upon conversion of loan of Rs.137,900,000 into Equity Share Capital.

II . Preference Shares Capital

- a. 5,000,000 8.5% Cumulative Redeemable Preference Shares of Rs.10 each issued solely to Government of Gujarat (GOG) as fully paid up on 23rd May, 2000 consequent upon conversion of loan of Rs.50,000,000.
- b. These Shares were redeemable at par at the end of four years from the date of allotment i.e. 22nd May, 2004. and the terms of the Issue of the Shares can be varied with the express consent of the Company and the holders of the Shares at any time during the period the Shares are outstanding .
- c. The Preference Shares issued have right to receive dividend from year to year as decided by terms of Issue i.e. 8.5% per annum from the date of allotment.
- d. The Preference share holders will not be entitled to any of the rights and privileges available to the members of the company including right to receive notice of or to attend and vote at General Meeting or to receive Annual Reports of the Company. If, however any resolution affecting the rights attached to the Share is placed before the member of the Company, such resolution will first be placed before the Preference shareholders for their consideration .
- e. Due to Negative Net worth in 2002, The Company had filed reference with the BIFR. On 16th September 2015, Company has come out from BIFR purview as per BIFR order dated 23rd September 2015. As at 31st March 2016, the Company has accumulated losses and has no source for redemption of Preference Shares.

- 2.2 Considering book losses the Board of Directors had not declared dividend on preference share since allotment. Thus no provision had been made for 8.5% dividend, amounting to Rs.631.46 lakhs on preference shares for the period from 23rd May, 2000 (being the date of allotment) to the preceding year ended 31st March, 2015 and Rs.42.50 lakhs for the current year, and additional tax thereon.

Notes forming part of financial statements
Note 4 Reserves and Surplus

Particulars	Rupees in Lakhs	
	As at 31-Mar-16	As at 31-Mar-15
1 Capital Reserve	217.13	217.13
Add : Additions During the year	-	-
Less : Utilised / transferred during the year	-	-
Closing Balance	217.13	217.13
2 Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(1,894.35)	(2,313.48)
Less: Depreciation (Refer Note - 25.5)		(31.13)
Add: Profit for the Year	74.17	450.26
Closing Balance	(1,820.18)	(1,894.35)
Total.....	(1,603.05)	(1,677.22)

Note:

No movement in Capital Reserves balance and same is carried forwarded since 31st March, 1994

Note 5 Long Term Provisions

Particulars	Rupees in Lakhs	
	As at 31-Mar-16	As at 31-Mar-15
1 Provision for Employee benefits		
Provision for compensated absences	56.93	64.50
Provision for Gratuity	213.74	245.25
Total.....	270.67	309.75

Note:

- Refer Note 25.3 "Additional Information" for disclosure in compliance of requirements of Accounting Standard 15 "Employee Benefits".

Notes forming part of financial statements
Note 6 Short Term Borrowings
Rupees in Lakhs

Particulars	As at 31-Mar-16	As at 31-Mar-15
1 Loans repayable on demand		
From Banks		
Secured	-	120.49
	-	120.49
2 Loans and advances from related parties		
Unsecured		
Inter Corporate Deposit from Mahindra & Mahindra Ltd	585.00	585.00
	585.00	585.00
Total.....	585.00	705.49

Notes:
1 Secured Loans repayable on demand from Bank

Cash Credit facilities from Banks are secured by hypothecation of entire current assets, present and future, and first charge over movable machinery and mortgage of Ten acres of land.

2 Inter Corporate Deposit (ICD) from M&M Ltd

- ICD was placed with the Company during the period February 2001 to June 2004.
- Terms of repayment as originally defined were 90 days + call basis. No repayment till date.
- Rate of interest is 12.5% p.a. (revised from 13.6% to 12.5% w.e.f. 1-Jan-2010)
- Closing balance of Interest accrued on the same as on 31-03-2016 is Rs.357.39 lacs (as on 31-03-2015 Rs.357.39 lacs).

Notes forming part of financial statements
Rupees in Lakhs
Note 7 Trade Payables

	Particulars	As at 31-Mar-16	As at 31-Mar-15
1	Trade Payables		
	Acceptances	-	-
	Trade Payables - Micro & Small Enterprises	29.13	5.59
	Trade Payables - Others	2,863.54	2,532.78
	Total.....	2,892.67	2,538.37

Notes:

- There are some Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than the stipulated period. The information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. The disclosures required to be made as per Micro, Small, and Medium Enterprise Development Act 2006 are as follows:

Rupees in Lakhs

	Particulars	As at 31-Mar-16	As at 31-Mar-15
I.	Dues remaining unpaid		
	Principal	29.63	5.59
	Interest	0.50	1.60
II.	Interest paid in terms of Section 16 of the Act (actual)	0.50	1.52
III.	Amount of Interest due and payable for the period of delay on payments made beyond the appointed day during the year	0.50	1.05
IV.	Amount of interest accrued and remaining unpaid	0.50	1.05
V.	Amount of Interest due and Payble on previous year's outstanding amount	-	-
VI.	The names of the small scale industrial undertaking(s) to whom the Company owes any sum exceeding Rs. 1,00,000/- together with interest which is outstanding for more than 45 days are A.J.Industries, Alfa Industrial Corporation, Chamunda Engineering Works, Excel Indo-can Industries, J.J.Auto Engineering, Jai shree ambe engineering works, JDK Enterprise, Pratik Hytech Works Pvt. Ltd., Real Surface Finish Pvt. Ltd., Shaktiwan Manufacturers		

Notes forming part of financial statements
Note 8 Other Current Liabilities
Rupees in Lakhs

	Particulars	As at 31-Mar-16	As at 31-Mar-15
1	Current maturity of Loan from Government of Gujarat	316.83	316.83
2	Interest accrued and due on Loan from Government of Gujarat	449.32	449.32
3	Interest accrued and due on Inter Corporate Deposit from Mahindra & Mahindra Ltd.	357.39	357.39
4	Other payables		
	Trade / Security Deposits received	498.99	640.03
	Statutory Remittances (PF, ESIC,VAT, Excise, Service Tax Payables)	70.12	29.90
	Payables on purchase of fixed assets	3.90	6.71
	Advances from Customers	206.79	343.54
	Service coupon Liability	50.10	63.89
	Dealers Incentives	29.49	43.09
	Interest payable	0.50	1.06
	Expenses accruals	92.90	102.39
	Others	14.01	10.20
	Total.....	2,090.34	2,364.35

Notes:

- The loan has been taken from Government of Gujarat in the year 2000

Repayment (as defined in the agreement) was due in 2002. However, no repayment of Principal amount made till date.

Rate of interest on above loan is 12% p.a. with effect from 2006, additional penal interest of 2.5% is also charged bringing total interest to 14.5%

Notes forming part of financial statements
Note 9 Short-term provisions
Rupees in Lakhs

	Particulars	As at 31-Mar-16	As at 31-Mar-15
1	Employee benefits		
	Provision for compensated absences	18.64	20.86
	Provision for Gratuity	23.75	27.25
2	Others		
	Provision for Warranties	21.45	27.04
	Provision for Taxation	38.00	5.04
	Total.....	101.84	80.19

Notes

- 1 Refer Note 25.3 "Additional Information" for disclosure in compliance of requirements of Accounting Standard 15 "Employee Benefits".
- 2 Refer Note 25.1 "Additional Information" for disclosure in compliance of requirements of Accounting Standard 29 "Provisions, Contingent Liabilities And Contingent Assets".

Notes forming part of financial statements

Note 10 Fixed Assets

Rupees in Lakhs

Description of Assets	Cost as at 01-Apr-15	Additions during the year at Cost	Other Adjustments during the year	Cost as at 31-Mar-2016	Depreciation/Amortisation as at 01-Apr-15	Depreciation/Amortisation for 2015-16	Deductions and Adjustments of Depreciation / Amortisation due to change in method and Sch-II	Other Adjustment of Depreciation	Accumulated Depreciation/Amortisation up to 31-Mar-16	Net Balance As at 31-Mar-16
A : Tangible Assets										
Land (Freeholds)	1.03	-	-	1.03	-	-	-	-	-	1.03
	1.03	-	-	1.03	-	-	-	-	-	1.03
Buildings	142.96	5.01	-	147.97	74.27	2.25	11.22	0.01	76.52	71.45
	135.57	7.39	-	142.96	83.30	2.18			74.27	68.69
Plant and Equipment	1,394.89	60.44	330.22	1,125.11	859.36	56.34	122.58	313.70	602.00	523.11
	1,369.59	49.52	24.22	1,394.89	940.92	57.98		(16.96)	859.36	535.53
Office Equipments	51.00	2.26	-	53.26	29.26	5.96	0.98	(0.01)	35.22	18.04
	44.23	6.85	0.08	51.00	23.02	7.23			29.26	21.74
Furniture and Fittings	41.79	1.32	-	43.11	23.03	2.62	5.68	0.01	25.65	17.46
	41.34	0.37	(0.08)	41.79	25.80	2.90			23.03	18.76
Vehicles	114.78	-	53.01	61.77	78.09	5.82	0.97	50.27	33.64	28.13
	58.19	32.37	(24.22)	114.78	54.10	8.01		16.95	78.09	36.69
Sub Total A	1,746.45	69.03	383.23	1,432.25	1,064.01	72.99	141.43	363.97	773.03	659.22
	1,649.95	96.50	-	1,746.45	1,127.14	78.30		-	1,064.01	682.44
B : Intangible Assets										
Software Expenditure	47.46	0.28	-	47.74	46.04	0.79	-	-	46.83	0.91
	45.33	2.13	-	47.46	40.24	5.81	-	-	46.05	1.41
Development Expenditure	55.51	-	-	55.51	51.40	4.11	0.71	-	55.51	-
	55.51	-	-	55.51	39.29	12.82			51.40	4.11
Sub Total B	102.97	0.28	-	103.25	97.44	4.90	0.71	-	102.34	0.91
	100.84	2.13	-	102.97	79.53	18.63		-	97.45	5.52
TOTAL (A+B)	1,849.42	69.31	383.23	1,535.50	1,161.45	77.89	142.14	363.97	875.37	660.13
Balance as of 31st March 2015	1,750.79	98.63	-	1,849.42	1,206.67	96.93		-	1,161.46	687.96

Current year figures are in bold.

During the Year Company has sold some of its Fixed Assets (Refer Note - 25.15)

Notes forming part of financial statements
Note 11 Non Current Investment
Rupees in Lakhs

Particulars	As at 31-Mar-16	As at 31-Mar-15
Investments (At Cost) :		
Investments in the Shares of Industrial Co-Operative Societies	4.45	4.61
	4.45	4.61
Less : Provision For Diminution*	4.45	4.61
Total.....	-	-

* full Provision for diminution in Investment was done on 31st March 2008

Note:

Details of Investments in the Shares of Industrial Co-Operative Societies within MGTL Premises

Rupees in Lakhs					
Sr. No.	% of Holding of Company	No. of shares held by Company	Name of Industrial Co-Operative Societies	As at 31-Mar-16	As at 31-Mar-15
1	41.61%	228	Pragati Ind. Co-Op.Soc. Ltd.	1.14	1.14
2	40.00%	140	Sarvoday Ind. Co-Op.Soc. Ltd.	0.70	0.70
3	37.93%	154	Parishram Ind. Co-Op.Soc. Ltd.	0.77	0.77
4	36.84%	140	Adarsh Ind. Co-Op.Soc. Ltd.	0.70	0.70
5	6.87%	31	Urja Ind. Co-Op.Soc. Ltd.	-	0.16
6	0.50%	1	Ajay Ind. Co-Op.Soc. Ltd.	0.01	0.01
7	0.33%	1	Mahashakti Ind. Co-Op.Soc. Ltd.	-	0.01
8	40.04%	227	Akshay Ind. Co-Op.Soc. Ltd.	1.14	1.14
			TOTAL	4.45	4.61

Notes forming part of financial statements
Note 12 Long Term Loans & Advances
Rupees in Lakhs

	Particulars	As at 31-Mar-16	As at 31-Mar-15
1	Capital advances		
	Unsecured, considered good	8.03	23.83
2	Security deposits with Government Authorities		
	Unsecured, Considered Good	22.29	20.44
	Total.....	30.32	44.27

Note 13 Inventories
Rupees in Lakhs

	Particulars	As at 31-Mar-16	As at 31-Mar-15
1	Raw materials	540.30	713.42
2	Work-in-progress	86.19	109.58
3	Finished goods	337.83	697.85
4	Stock-in-trade	45.49	151.12
5	Stores and spares	5.29	5.32
6	Loose tools	25.42	23.87
	Total.....	1,040.52	1,701.16

Notes forming part of financial statements
Note 14 Trade Receivable
Rupees in Lakhs

	Particulars	As at 31-Mar-16	As at 31-Mar-15
1	Trade Receivables outstanding for less than six months from the date they are due for payment		
a	Secured , Considered good	217.22	475.51
b	Unsecured , Considered good	3,435.10	2,785.07
c	Doubtful	-	-
d	Less: Allowance for trade receivables	-	-
		<u>3,652.32</u>	<u>3,260.58</u>
2	Trade Receivables outstanding for more than six months from the date they are due for payment		
a	Secured , Considered good	295.33	193.62
b	Unsecured , Considered good	198.66	28.61
c	Doubtful	169.61	80.20
d	Less: Allowance for trade receivables	169.61	80.20
		<u>493.99</u>	<u>222.23</u>
	Total.....	<u>4,146.31</u>	<u>3,482.81</u>

Note:

- The Company holds guarantees from banks in respect of secured receivables considered good

Note 15 Cash & Bank Balances
Rupees in Lakhs

	Particulars	As at 31-Mar-16	As at 31-Mar-15
A	Cash & Cash Equivalents		
1	Cash on hand	0.76	1.72
2	Cheques, Drafts on hand	227.04	256.15
3	Balances with banks		
	Current account	0.40	0.41
	Cash credit account	80.15	-
	Deposit account		
	less than 12 months maturity		
	Total Cash & Cash Equivalents	<u>308.35</u>	<u>258.28</u>
B	Other Bank Balances		
	Deposit account having lien		
	more than 12 months maturity	-	
	less than 12 months maturity	0.59	0.68
	Margin money deposits	10.00	10.00
	Total Other Bank Balances	<u>10.59</u>	<u>10.68</u>
	Total.....	<u>318.94</u>	<u>268.96</u>

Notes forming part of financial statements
Note 16 Short Term Loans and Advances
Rupees in Lakhs

	Particulars	As at 31-Mar-16	As at 31-Mar-15
1	Security Deposits		
	Unsecured considered good	52.16	34.83
2	Prepaid Expenses	11.83	11.86
3	Balances with Government Authorities		
	Unsecured considered good		
	Balance with Excise	18.12	40.52
	Income Tax	-	-
	Sales Tax	53.22	45.73
		71.35	86.24
4	Loans and advances to Employees		
	Unsecured, considered good	5.02	6.55
		5.02	6.55
5	Other loans and advances		
a	Unsecured, considered good	29.14	24.39
b	Doubtful	-	-
c	Less: Allowance for doubtful loans and advances	-	-
		29.14	24.39
	Total.....	169.49	163.88

Note 17 Other Current Assets
Rupees in Lakhs

	Particulars	As at 31-Mar-16	As at 31-Mar-15
	Interest accrued on deposits	1.96	2.08
	Total.....	1.96	2.08

Notes forming part of financial statements
Note 18 Revenue from Operations

Rupees in Lakhs

	Particulars	Year Ended on 31-Mar-16	Year Ended on 31-Mar-15
	Revenue from -		
1	Sale of goods		
	Manufactured goods	5,878.56	6,986.37
	Traded goods *	2,866.17	4,172.75
2	Rendering services	-	-
3	Other operating revenues		
	Hire purchase, lease and rental income	1.98	1.98
	Scrap sales	45.30	25.97
	Export Benefits	39.49	51.86
	Other Operating income	2.02	0.72
		8,833.52	11,239.65
	less: Excise duty	33.63	45.44
	Total.....	8,799.89	11,194.21
	Sales (Number of Tractors)	FY2015-16	FY2014-15
	Manufactured	1218	1496
	Traded	613	905

*Sales of Traded Goods also Includes the Sales of Parts and Accessories of Tractors.
Revenue from Sales is net off Sales Return and Trade Discounts

Note 19 Other Income

Rupees in Lakhs

	Particulars	Year Ended on 31-Mar-16	Year Ended on 31-Mar-15
1	Interest Income from Banks Deposits	0.93	0.94
2	Interest on overdue trade receivables (Refer note- 25.13)	118.23	186.55
3	Write back of Dealers Security Deposits (Refer note- 25.14)	104.73	-
4	Royalty Income	5.34	-
5	Profit on Sale of Fixed Assets (Refer Note-25.15)	148.67	-
6	Excess Provisions for expenses in earlier year written back	83.96	91.06
	Total.....	461.86	278.55

Notes forming part of financial statements
Note 20 Cost of Raw Material Consumed
Rupees in Lakhs

	Particulars	Year Ended on 31-Mar-16	Year Ended on 31-Mar-15
1	Opening Stock	713.42	571.06
2	Add: Purchases	3,734.64	5,066.23
		4,448.06	5,637.29
3	Less : Closing Stock	540.30	713.42
	Total.....	3,907.76	4,923.87

Note 21 Changes in Inventories of Finished Goods, Work-in-progress and stock-in-trade
Rupees in Lakhs

	Particulars	Year Ended on 31-Mar-16	Year Ended on 31-Mar-15
1	Opening Stock of Work in Progress Finished Products Produced & Purchased for sale	109.58 848.97 958.55	122.98 1,236.30 1,359.28
2	Less: Closing Stock of Work in Progress Finished Products Produced & Purchased for sale	86.19 383.32 469.51	109.58 848.97 958.55
	Decrease/(Increase) in Stock	489.04	400.73

Note 22 Employee Benefits Expenses
Rupees in Lakhs

	Particulars	Year Ended on 31-Mar-16	Year Ended on 31-Mar-15
1	Salaries, wages, bonus	992.65	935.07
2	Contribution to Provident & other funds	60.60	56.20
3	Gratuity expense	28.89	34.07
4	Staff welfare	47.42	56.18
	Total.....	1,129.56	1,081.52

Notes forming part of financial statements
Note 23 Finance Costs
Rupees in Lakhs

	Particulars	Year Ended on 31-Mar-16	Year Ended on 31-Mar-15
1	Interest on loans from Government of Gujarat	45.94	45.94
2	Interest on ICD from M&M	73.33	73.13
3	Bank Interest	4.79	19.30
4	Bank Charges	8.80	7.49
	Total.....	132.86	145.86

Note 24 Other Expenses
Rupees in Lakhs

	Particulars	Year Ended on 31-Mar-16	Year Ended on 31-Mar-15
1	Stores consumed	9.03	10.93
2	Tools consumed	1.86	2.21
3	Power and fuel	44.57	51.69
4	Rent including lease rentals	19.16	10.43
5	Rates and taxes	41.81	27.76
6	Insurance	5.09	2.61
7	Repairs and maintenance		
	-Buildings	14.73	20.90
	-Machinery	14.27	29.88
	-Others	8.83	7.89
8	Postage, Telephone and Communication	20.59	20.36
9	Legal and Professional Charges	62.54	49.89
10	Freight outward	333.20	335.74
11	Sales promotion expense	71.44	120.77
12	Travelling & Conveyance Expenses	189.14	201.06
13	Subcontracting, Hire & Service Charges	162.22	132.24
14	Provision for doubtful trade and other receivables, loans and advances	94.16	23.40
15	Auditors' remuneration	2.32	2.92
16	Miscellaneous expenses	108.21	121.84
17	Provision for warranty	11.78	17.84
18	Incentives and Discount Allowed to Customers	229.90	209.96
19	Bad Debt Written off	4.76	-
	Less:-Provision for Doubtful Debt written back	(4.76)	-
20	Bad Advances Written off	0.16	-
	Less:-Provision for Doubtful Advances written back	(0.16)	-
	Total.....	1,444.85	1,400.32

Notes forming part of financial statements**Note 25 Additional Information****25.1 Provisions**

Disclosures in pursuance of the Accounting Standard 29 "Provisions, Contingent Liabilities And Contingent Assets" notified under Companies (Accounting Standards) Rules, 2006.

	Rupees in Lacs				
	Balance at the beginning of the year	Provision made during the period	Provision used during the period	Provision written back during the period	Balance at the end of the period
Provision for Warranties	27.04 (29.38)	13.68 (17.84)	17.37 (20.18)	1.90 -	21.45 (27.04)

(figures in bracket represent annual figures of FY 2014-15)

Provision for warranty has been recognised for expected warranty claims on products sold during the last two financial years. It is expected that the majority of this expenditure will be incurred in the next financial year, and all within two years of the balance sheet date.

25.2 Contingent Liabilities

- I Bills discounted but not matured Rs.89.60 lakhs (As of 31st March 2015 : Rs.82.91 lakhs) - represents customers bills discounted.
- II Bank Guarantee not provided for Rs.13.50 lakhs (As of 31st March 2015 : Rs.12.50 lakhs) issued for Sales Tax matters
- III As per the records of the Income Tax Department, there is a outstanding demand of Rs.34.60 lakhs against the Company. This demand includes old dues of Rs.4.22 lakhs of A.Y.1961-62 and Rs.1.90 lakhs of A.Y. 1978-79, which Company has disputed stating that demand pertains to Hindustan Tractors Limited and period covers before take over by Gujarat Tractor Corporation Ltd., therefore not liable to pay, which is the decision of the Gujarat High Court in one of the Appeal of the Company. Rs.28.45 lakhs demand of A.Y.2013-14 due to disallowance of business expenditure, against which Company has filed appeal with CIT(A).
- IV The Company is anticipating to enter into an agreement / MoU for Settlement with various non Hire Purchase Industrial Co-Operative Societies and Ancillaries within MGTL Premises, therefore may require to pay Compensation to Co-Operative Societies or its members. Amount of such Compensation is not yet quantified.
- V The Company has entered into an agreement/MoU with Private Sector Banks and NBFCs for retail funding for providing loan to customer who buy MGTL's Tractors. The said MOU also contains a clause on loss sharing in case of default in repayment by customer or loss incurred in case of repossession of asset and its resale. Anticipated loss from these agreements/MoUs are not quantified as of now. Company is obtaining undertaking from its dealers to ensure no default in terms of these agreements.
- VI Considering book losses the Board of Directors had not declared dividend on cumulative redeemable preference share since allotment. Thus no provision had been made for 8.5% dividend, amounting to Rs.631.46 lakhs on cumulative redeemable preference shares for the period from 23rd May, 2000 (being the date of allotment) to the preceding year ended 31st March, 2015 and Rs.42.50 lakhs for the current year, and additional tax thereon.

Notes forming part of financial statements
25.3 Employees benefits
(A) Defined Benefit Plans

Company's liabilities towards Gratuity and Leave Encashment are ascertained by an independent actuarial valuation as per the requirements of Accounting Standard -15 (revised 2005) on "Employee Benefits" as issued by the Institute of Chartered Accountants of India.

The following tables set out the details of amount recognized in the financial statements in respect of employee benefit schemes.

Defined benefit plans (Gratuity - unfunded) - As per actuarial valuations as on March,2016 Rupees in Lakhs

Sr.	Particulars	31-Mar-16	31-Mar-15
I	<u>Expense recognized in Statement of Profit and Loss</u>		
a.	Current Service Cost	12.88	13.36
b.	Interest cost	21.80	23.44
c.	Expected return on Plan Assets	-	-
d.	Actuarial (Gain)/Loss	(5.79)	(2.73)
e	Additional charge / (write-back) on account of change in Policy	-	-
f	Net expense recognised in Statement of Profit & Loss (under head Gratuity expense in Note - 22 Employee Benefits Expense)	28.89	34.07
II	<u>Actual Benefit Payments for period ended March 31,2016</u>		
a.	Actual Benefit Payments	63.90	54.61
III	<u>Changes in Obligation during the year</u>		
a.	Obligation as at the beginning of the year	272.50	293.04
b.	Current service cost	12.88	13.36
c.	Interest cost	21.80	23.44
d.	Accrued value of short term o/s leave	-	-
e.	Actuarial (Gain)/Loss	(5.79)	(2.73)
f.	Benefits Paid	(63.90)	(54.61)
g.	Present Value of Obligation as at the end of the year	237.49	272.50
IV	<u>Changes in Plan Assets during the period</u>		
a.	Fair Value of Plan Assets as at the beginning of the year	-	-
b.	Expected return on Plan assets	-	-
c.	Actuarial (Gain)/Loss	-	-
d.	Contributions	-	-
e.	Benefits Paid	-	-
f.	Fair Value of Plan Assets as at the end of the year	-	-
V	<u>Net Assets / Liabilities recognized in the Balance Sheet</u>		
a.	PV of Obligation as at the end of the year	237.49	272.50
b.	Fair Value of Plan Assets as at the end of the year	-	-
c.	Net Liabilities / (Assets) recognised in the Balance Sheet at year	237.49	272.50
d	Non Current - Long Term Provision	213.74	245.25
e	Current - Short Term Provision	23.75	27.25
VI	<u>Principal Actuarial Assumptions</u>		
a.	Discount rate (per annum) (Refer Note-i)	8.00%	8.00%
b.	Expected return on Plan Assets (per annum)	N.A.	N.A.
c.	Expected increase in salary costs (per annum) (Refer Note-ii)		
d.	Salary escalation	5.00%	5.00%

Notes forming part of financial statements
Note 25 Additional Information
Notes :

- i Discount rate is determined by reference to market yields at the Balance Sheet date on Government Bonds, where the currency and terms of the Govt. Bonds are consistent with the currency and estimated terms for the benefit obligation.
- ii The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(B) Defined Contribution Plans

The Company has recognized, in the statement of profit and loss for the year ended 31st March, 2016, following amounts as expenses under defined contribution plan under note 22 Employee Benefits Expenses.

	Rupees in Lakhs	
	2015 - 16	2014 - 15
Contribution to Provident Fund	51.63	51.24

25.4 Components of Deferred Tax Assets / (Liability)
Rupees in Lakhs

Particulars	31-Mar-16	31-Mar-15
<u>Deferred tax Asset</u>		
Gratuity & Leave Encashment	77.05	116.13
Bonus	0.66	6.49
Provision for Doubtful Debts & Advances	56.07	27.17
<u>Deferred tax liability</u>		
Depreciation	(68.06)	(79.06)
Net Deferred Tax Asset	65.72	70.73

Deferred tax asset has not been recognised in absence of virtual certainty as to realisation there of against future taxable income.

- 25.5** The Company has revised its policy of providing depreciation on fixed assets effective 1st April 2014, to be aline with Industry and Holding Company. Depreciation is now provided on straight line basis for all assets as against the policy of providing on written down value basis. As a result of change in method of depreciation from WDV to SLM and recomputation of depreciation retrospectively, Surplus of Rs.173.26 lakhs arises for the period prior to 1st April, 2014 which has been shown as an "Exceptional Item" in the Statement of Profit & Loss.

During the period ended on 31st March, 2015 the Company has realigned its depreciation policy in accordance with Schedule-II to Companies Act, 2013. Consequently w.e.f. 1st April 2014 : (a) carrying value of assets is now depreciated over its revised remaining useful life. (b) where the remaining useful life of the assets is 'Nil' as on 1st April 2014, carrying value of assets after keeping residual value has been adjusted against opening reserves amounting to Rs.31.13 lakhs in accordance with transitional provision of Schedule-II.

The Company has adopted the useful life provided in the Schedule-II of the Companies Act, 2013 without technical evaluation of Life of the Assets.

- 25.6** During FY 2014-15, Company had signed settlement agreement with The Urja Auto Industrial Co-Operative Society Ltd. and The Mahashakti Industrial Co-Operative Society Ltd. to terminate the MoUs/Agreements signed by the Company. Company has paid total compensation of Rs.134.29 lakhs to both the Societies, which was disclosed as "Exceptional Item" in the Statement of Profit & Loss.

Notes forming part of financial statements

Note 25 Additional Information

25.7 The Company has, by applying the definitions of 'Business Segment' and 'Geographical Segment', contained in Accounting Standard 17 "Segment Reporting", concluded that there is neither more than one Business Segment nor more than one Geographical Segment, and therefore segment information as per Accounting Standard 17 is not required to be disclosed.

25.8 Related Party Disclosures for the year ended 31st March, 2016

A Related Party and their relationship

Ultimate Holding Company:	Mahindra & Mahindra Limited (M&M)	
Fellow Subsidiaries:	Mahindra Logistics Limited	
Key Management Personnel :	Mr. Shri Om Tyagi	Manager
	Mr. Ashok Panara	Chief Financial Officer
	Mr. Sumeet Maheshwari	Company Secretary

B Transactions with the related parties

Rupees in Lakhs

Particulars	Ultimate Holding Company Mahindra & Mahindra Limited		Fellow Subsidiaries		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<u>Income</u>						
Sales of goods	(166.30)	(282.93)	-	-	(166.30)	(282.93)
Job work income	-	-	-	-	-	-
Expenses reimbursed (Receipt)	(2.00)	(0.30)	-	-	(2.00)	(0.30)
<u>Expenses</u>						
Purchase of Tractors	1,925.62	2,855.41	-	-	1,925.62	2,855.41
Purchase of Other components	1,336.21	1,674.73	255.07	220.66	1,591.28	1,895.39
Services received	166.99	134.03	52.74	15.15	219.73	149.18
Expenses reimbursed	41.29	65.94	-	-	41.29	65.94
Interest	73.33	73.13	-	-	73.33	73.13
Purchase of Assets	1.32	-	-	-	1.32	-
<u>Year End Balances</u>						
Amount Payable	2,472.53	2,089.77	1.31	5.60	2,473.84	2,095.37
Amount Payable (in respect of loan and interest)	942.39	942.39	-	-	942.39	942.39

Notes forming part of financial statements
Note 25 Additional Information

The Significant Related party transactions are as under :

Sr. No	Nature of Transactions	Name of Related Party	Rupees in Lakhs	
			2015-16	2014-15
1	Purchase of Tractors	Mahindra & Mahindra Ltd	1,925.62	2,855.41
2	Purchase of Other components	Mahindra & Mahindra Ltd	1,336.21	1,674.73
3	Services Received	Mahindra & Mahindra Ltd	166.99	134.03
4	Expenses reimbursed	Mahindra & Mahindra Ltd	41.29	65.94
5	Interest	Mahindra & Mahindra Ltd	73.33	73.13
6	Purchase of Assets	Mahindra & Mahindra Ltd	1.32	-
7	Sales of Tractor parts	Mahindra & Mahindra Ltd	166.30	282.93

25.9 Earnings / (Loss) Per Share (EPS) Calculation (basic and diluted):

Rupees in Lakhs

	31-Mar-16	31-Mar-15
i Profit after taxation	74.17	450.26
ii Dividend on Pref. shares (Note 3)	(42.50)	(42.50)
iii Tax on Dividend (Note 3)	(7.22)	(7.22)
Total	24.44	400.54
iv Weighted average number of equity shares used as the denominator	153.02	153.02
v Nominal values of equity share (Rupees)	10.00	10.00
vi Earnings Per Equity Share (Rupees)	0.16	2.62

25.10 Value of Raw Materials Consumed:

Rupees in Lakhs

	2015-16		2014-15	
	Quantity	Amount	Quantity	Amount
Crankshaft (Nos)	1,228	52.35	1,419	54.55
Tyres and Tubes (Nos.)	9,699	374.34	11,516	488.32
Wheel Rims (Nos.)	4,579	115.60	5,684	131.82
FIP (Nos)	1,171	101.77	1,370	117.25
Transmission Assly (Nos)	1,130	1,303.46	1,415	1,690.22
Battery (Nos)	1,186	43.60	1,446	59.77
Others		1,916.64		2,381.94
		3,907.76		4,923.87

Notes :

- The consumption in value has been ascertained on the basis of opening stock plus purchases less closing stock and includes the adjustment of excesses and shortages as ascertained on physical count and write off of obsolete and unserviceable raw material and components.
- The consumption in value shown against others is a balancing figure based on the total consumption shown in the Statement of Profit and Loss.

Notes forming part of financial statements
Note 25 Additional Information

25.11	Value of Imported and Indigenous Raw Material Consumed :		Rupees in Lakhs	
	2015-16		2014-15	
	%	Amount	%	Amount
Raw Material, Components & Spare Parts				
Imported	-	-	-	-
Indigenous	100	3,907.76	100	4,923.87
	100	3,907.76	100	4,923.87

25.12 Payment to Statutory Auditor for other services		Rupees in Lakhs	
		2015-16	2014-15
For Other Services		-	-
Reimbursement of Expenses		-	-
Total		-	-

25.13 Company Charge Interest @ 15% p.a. on overdue outstanding of recoverable amount from dealers being recognised based on confirmation and certainty of income. During the period ended on 31st March 2016 , The Company has recognised revenue of Rs.118.23 lakhs (FY2014-15 : Rs.186.55 lakhs) towards Interest on overdue payments from Customers for the period of 1st Oct'14 to 30th Sept'15.

25.14 During the year Company has taken write back of old and unclaimed security deposits of Rs.104.73 lakhs of its Dealers who had closed down Business and not claimed since long.

25.15 During the year Company has sold/dispose off of its certain old and not in use Fixed Assets following e-Auction Process and Profit on Sale of Fixed Assets of Rs.148.67 lakhs is disclosed at Note-19 Other Income. Gross Block value and Accumulated Depreciation pertains to the assets sold are reduced and disclosed in the Fixed Assets Note - 10 in the Financial Statement

25.16 Research and Development Expenditure
Revenue expenditure on Research and Development Rs.13.83 lakhs (previous year Rs.11.65 lakhs) is charged to the Statement of Profit and Loss in the year in which it is incurred.

25.17 Status of Assessment Completed for following Statutes as of 31st March'16

Statute	Period
Income Tax	AY2013-14
Sales Tax (HO - Gujarat)	FY2011-12
Excise & Service Tax	till 31st March 2015

25.18 Figures as of 31st March, 2015 have been regrouped / re-classified accordingly to conform it to the classification as of 31st March, 2016

Notes forming part of financial statements**Note 25 Additional Information**

25.19 Figures have been rounded off to nearest Rupees in Lakhs upto two decimal unless specifically mentioned at respective place

25.20 Statement of Management

The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary course of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities are adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.

Balance Sheet, Statement of Profit & Loss and Cash Flow statement read together with the schedules to the accounts and notes thereon, are drawn up so as to disclose the information required under The Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end on 31st March , 2016 and results of the Company for the period under review.

In terms of our report attached
For **Bipin & Company**
Chartered Accountants
Firm Regn.no : 101509W

CA. Pradeep K Agrawal
Membership No.: 116612
Partner

Place : Vadodara
Date : 5th May 2016

For and on behalf of the Board of Directors

K.Chandrasekar	Director
C.J.Mecwan	Director
Shri Om Tyagi	Manager
Ashok Panara	Chief Financial Officer
Sumeet Maheshwari	Company Secretary

Place : Mumbai
Date : 5th May 2016

CSR Initiatives

Rural Sanitation Drive



Continuing with participation in 'Clean India' campaign of 2014-15, Mahindra Gujarat Tractor Limited decided to improve further the life standards of people in the same village of Rayan Talavadi, near Vadodara. In phase I, most needy families including one Aganwadi centre were identified and 26 toilets were constructed in 2014-15. In the year 2015-16, MGTL constructed another 15 toilets in the residence & huts of families who thrive on daily labour.



To spread awareness and strengthened the message of 'Clean India' further, continuous efforts have been made to motivate villagers to adopt measures to maintain hygiene.

On completion of the project, a formal handing over ceremony was organized in the village school. Addressing over 60 families, Mr. Shri Om Tyagi, emotionally connected the cleanliness and hygiene & motivated them to use these toilets as well as keep them clean for their good

Nanhi Kali – A Girl Child Education Program



Participating in 'Beti Padhao, Beti Bachao' drive of the Government of India, MGTL joined the 'Nanhi Kali' campaign, a Project managed by K.C.Mahindra Education Trust and Naandi Foundation, to provide education to girl child from economically disadvantaged families. MGTL has contributed for the education of 184 such underprivileged girl children in the Nasik area of Maharashtra.



Available in 31 HP to 60 HP Range

Mahindra Gujarat Tractor Limited

AN ISO 9001-2015 and OHSAS 18001-2007 Certified Company

Regd. Office & Works :

Near Vishwamitri, Vadodara-390 011. Gujarat, India.

Phone : +91-265-2311617, 2339547
Fax : +91-265-2338015, 2338156
Website : www.mahindragujarat.com
E-mail : mgtl@mahindragujarat.com
CIN : U34100GJ1978PLC003127