

**35TH
ANNUAL REPORT**

2008-2009

G. G. AUTOMOTIVE GEARS LIMITED



BOARD OF DIRECTORS:

Mr. Ram S. Gajra - Chairman & Managing Director
Mr. Kennedy R. Gajra - Managing Director
Mr. Prem S. Gajra - Director

BANKERS:

State Bank of Indore
ICICI Bank Ltd
UTI Bank Ltd

AUDITORS:

Kamlesh B. Mehta & Company
58, Shree Krishna Niwas
4th Floor 496, Kalbadevi Road
Mumbai -400 002

REGISTERED OFFICE:

Bharti Bhavan,
211/219, P.D. Mellow Road
Fort, Mumbai – 400 001

WORKS & CORPORATE OFFICE:

2-A, Industrial Area No 1
A B. Road
Dewas (M. P.) 455 001
Tel : 404802,405310
Email : ggautomotive@yahoo.com

SHARE TRANSFER AGENT:

Purva Sharegistry (India) Pvt. Ltd
9, Shiv Shakti Industrial Estate, Sitaram Mills
Compound, J. R. Boricha Marg, Opp. Kasturba
Hospital, Lover Parel (East), Mumbai – 400 013

LISTING OF EQUITY SHARES:

Bombay Stock Exchange,
Indore Stock Exchange,
New Delhi Stock Exchange,
Ahmedabad Stock Exchange
Chennai Stock Exchange

Notice:

Notice is hereby given that the 35th Annual General Meeting of the Members of G. G. Automotive Gears Ltd will be held on Saturday 30th September 2009 at 11.00 a.m. at 211/219 Bharti Bhawan P. D. Mello Road Mumbai to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet of the Company as at 31st March '2009 and the Profit & Loss Account of the Company for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ram Gajra, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not to be a member of the Company. Proxies in order to be affective must be received by the company not less than 48 hours before the meeting.

Documents referred to in the accompanying notice are open for inspection at the registered office of the Company during office hours on all working days except Sunday upto the day of Annual General Meeting.

The register of members and share transfer books of the company will remain closed from 23-09-2009 to 30-09-2009 (both days inclusive)

Shareholders seeking any information about accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.

Members are requested to notify the change, if any, in their address, at the administrative office of the Company.

Member / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.

Since the securities of your Company have come under the compulsory Dematerialization as per the requirements of SEBI, henceforth all the members are requested to get their shares dematerialized at earliest.

**For and on the behalf of the Board of Directors
For G. G. AUTOMOTIVE GEARS**

Sd/-

(Ram S. Garja)

Chairman & Managing Director

Place: Mumbai

Date: 06.05.2009

DIRECTOR REPORT

Your directors have pleasure to present the 35th Annual Report together with the audited statement to accounts of the Company for the year ended 31st March 2009

Financial Resulted:-

	YEAR ENDED 31/03/2009(Rs. In lacs)	YEAR ENDED 31/03/2008 (Rs.in Lacs)
Sales and other Income	516.91	452.71
Profit/(Loss) before Interest and Dep.	118.45	55.34
Less : Interest	31.45	05.80
Profit/(Loss) Before Depreciation	87.00	49.54
Less : Depreciation	18.73	21.30
Profit/(Loss) before taxation	68.27	28.24
Provision for Taxation	10.57	07.32
Profit/(Loss) After taxation	57.69	20.92

OPERATIONS :

During the year under review the sales and other income of your company was Rs.516.91 lacs compared with Rs. 452.71 during previous year which resulted in net Profit of Rs. 57.69 lacs compared with profit Rs. 20.92 lacs during the previous year.

The Company is trying to add some more products so as to expand the market and improve the profitability.

DIVIDEND :

In view of inadequate profit during the year under review, your directors are unable to recommend any dividend for this year

DIRECTORS RESPONSIBILITY STATEMENT :

As required by sub-section (2AA) of Section 217 of The Companies Act, 1956, your Directors hereby confirm as under :-

- 1) That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit of the Company for the period.

- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) That the annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES :

There are no employees in the Company, who if employed through out the financial year, were in receipt of remuneration, whose particulars if so employed, are required to be included in the report of the Directors in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules 1975.

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

A statement giving details of conservation of energy, technology absorption and foreign exchange earning and outgo in terms of The Company (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is annexed as "Annexure A" hereto and form part of this report.

PUBLIC DEPOSITS :

During the year under review the Company has neither accepted nor invited any public deposits and hence the provisions of Section 58A of The Companies Act, 1956 read with the companies (Acceptance of Deposits) Rules , 1975 are not attracted and the information relating thereto is nil.

AUDITORS REPORT :

The observation made in the Auditors Report are self explanatory and need no further explanations .

STATEMENT PURSUANT TO LISTING AGREEMENTS (S)

The Company's Securities are listed at Mumbai Stock Exchange, Mumbai besides listed at New Delhi , Chennai, Ahmedabad and Indore . The Company is regular in paying of its listing fees at Mumbai, but the Company is not paying the listing fees of other exchanges as it is in process of getting its shares delisted from these Exchanges.

CORPORATE GOVERNANCE :

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges(S), a separate section titled 'Corporate Governance' is annexed hereto as "Annexure B" and form part of this report.

A Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is annexed to this report as "Annexure C".

AUDITORS :

M/s Kamlesh B. Mehta & Company, the Statutory Auditors of the Company , retire at the ensuing Annual General Meeting and being eligible has given a certificate in accordance with the provisions of Section 224(1) of the Companies Act, 1956 and accordingly offers themselves for reappointment.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to express their gratitude for the assistance and continued cooperation extended by Banks, Government authorities, clients, and suppliers. The Directors are pleased to record their sincere appreciation for the devotion and sense of commitment shown by the Employees at all levels and acknowledge their contribution towards sustained progress and performance of your Company.

For and On behalf of the Board
For G. G. AUTOMOTIVE GEARS LTD

Sd/-
Ram S. Gajra
Chairman & Managing Director

Place : Mumbai
Date : 06.05.2009



ANNEXURE TO THE DIRECTOR'S REPORT**Annexure A**

Information under Section 217(1)(e) of The Companies Act, 1956 read with The Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report.

FORM A

(Form for Disclosure of Particulars with respect to Conservation of Energy)

Sno	Power and Fuel Consumption (Electricity)	Current Year (2008-09)	Previous Year (2007-08)
1	Purchased unit (KWH) Amount (In Rs.) Rate / Unit (Rs)	1016070 5292905 4.22	740876 4052204 5.47

OUR OWN GENERATION

Sno	Power and Fuel Consumption (Electricity)	Current Year (2008-09)	Previous Year (2007-08)
1	Through D.S.Set unit (KWH) Amount (In Rs.) Rate / Unit (Rs)	4070 176968 43.48	1600 76284 47.67

FORM B

(Form for Disclosure of Particulars with respect to Research & Development and Technology Absorption)

A. Research and Development (R&D)

Your company has not incurred any expenditure on research and development during the year

B. Technology Absorption, Adoption and Innovation

NO imported technology was used and the technology used is entirely indigenous.

C. Foreign Exchange Earnings and Outgo

	Current Year (2008-09)	Previous Year (2007-08)
Earning (Rs)	5.91	Nil
Outgo (Rs)	Nil	Nil

ANNEXURE- B**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****a) Industry structure and development:**

Automotive industry is registering steady growth for last number of years. The trend has been upward and gives an indication or bright future.

b) Review of operations:

Operations of the Company has been satisfactory and more particularly described in Directors' report.

c) Opportunities and Outlook:

The company is taking maximum efforts to capitalize on business opportunities & further expect a better outlook in the coming years.

d) Risk factors:

The product is influenced by the major changes in Government policy.

f) Internal control system and adequacy:

Your Company has been maintaining an adequate internal control system commensurate with the size & nature of its business.

g) Human Resources Policies:

Your company considers its human resources as its most valuable assets, among all other assets of the Company. It has been the policy of the company to actuate the talent by providing opportunities to develop themselves within the organization. The company continued to have maintained a very cordial & harmonious relations with its employees.

FOR G. G. AUTOMOTIVE GEARS LIMITED

Sd/-

RAM GAJRA

(CHAIRMAN)

DATE: 06-05-2009

PLACE: MUMBAI

ANNEXURE- C**CORPORATE GOVERNANCE REPORT****1. Company's philosophy:**

The Corporate Governance code as introduced by Security and Exchange Board of India (SEBI) in pursuance of clause 49 of Listing Agreement is became applicable to the Company by March 2003. The same has been implemented partially by the Company.

The company believes in maximum utilization of resources at minimum cost and attaining maximum long term shareholders value. The company has also consistently followed good corporate policy.

2. Board of Directors:

The Board of the Company comprises of three Directors out of which Chairman is Managing Director while other two Directors are Ex. Directors. There are no nominee or Institutional Directors in the Company. The Board is in process of enlarging the present board in view of compliance of Corporate Governance.

None of Directors has pecuniary or Business relationship with the Company other than as mentioned in annual Accounts. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

During the year there were in total 5 (Five) Board Meetings were held i.e. on 05-06-2008; 25-08-2008; 14.10.2008; 15.01.2009; 20.03.2009. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Sr. No.	Name of Director	Category	No. of Board meetings Attended	Attendance at Last AGM	No. Of Other Directorship	No. Of Other Committee membership In other Companies
1.	Mr. Ram Gajra	Chairman & Managing Director	05	Yes	Nil	Nil
2.	Mr. Kennedy Gajra	Managing Director	05	Yes	Nil	Nil
3.	Mr. Prem Gajra	Whole-Time Director	05	No	Nil	Nil

Committees of the Board:**a. Audit Committee**

Pursuant to the provisions of section 292(A) of The Companies Act, 1956 & clause 49 of Listing Agreement, an Audit Committee comprising of 3 Non Ex. Directors will be formed soon.

Following are the members of the Committee.

Mr. K. Gajra – Chairman
Mr. Ram Gajra – Member
Mr. J. S. Gajra – Member.

The audit committee has held 4 (four) meetings during the year. The said meetings were attended by all the committee members.

Board terms of reference of the Audit Committee are as per following:

1. Approving and implementing the Audit procedures and techniques.
2. Reviewing audit reports of both statutory and internal auditors with auditors and management.
3. Reviewing financial reporting systems, internal control systems and control procedures.
4. Ensuring compliance with regulatory guidelines.

b. Shareholders/Investors Grievance Committee

The Board of Directors has constituted as Share Transfer and Shareholders Grievance Committee comprising of Mr. Kennedy Gajra, Mr. Ram Gajra & Mr. Prem Gajra. Mr. Kennedy Gajra is a Chairman of the Committee. The Committee approves and monitors transfers, transmissions, splits and other related works, investigates and directs redressal of shareholders grievance. Share transfer and other related work are processed well within the period stipulated by SEBI. The status of grievances is as follows:

The committee met 4 (four) times during the year ended on 31st March, 2009.