

# **G. G. AUTOMOTIVE GEARS LIMITED**

## **36<sup>th</sup> ANNUAL REPORT**

### **BOARD OF DIRECTORS:**

Mr. Ram Shantiswaroop Gajra	- Chairman & Managing Director
Mr. Kennedy Gajra	- Managing Director
Mr. Prem Shantiswroop Gajra	- Director
Mr. Shailendra Ajmera	- Independent Non Executive Director (w.e.f. 27 <sup>th</sup> January, 2010)
Mr. Pravin Kumar Shishodiya	- Independent Non Executive Director (w.e.f. 27 <sup>th</sup> January, 2010)

### **BANKERS:**

Union Bank of India  
Axis Bank Ltd  
ICICI Bank Ltd

### **AUDITORS:**

Kamlesh B Mehta & Company,  
Chartered Accountants,  
58, Shrikrishna Nivas,  
496, Kalbadevi Road,  
Mumbai- 400002

### **REGISTERED OFFICE:**

Bharti Bhawan 211/219  
P D'Mello Road, Mumbai – 400 001.

### **CORPORATE OFFICE:**

2-A, Industrial Area No. 1,  
A. B. Road,  
Dewas (M.P.) – 455 001  
Tel: 504802/505310  
E-mail: 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



## **G. G. AUTOMOTIVE GEARS LIMITED**

### **NOTICE**

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting of the members of **G. G. AUTOMOTIVE GEARS LIMITED** will be held on 30<sup>th</sup> September 2010 at 11.00 A.M. at the registered office of the Company situated at **Bharti Bhawan, 211/219, P D'Mello Road, Mumbai – 400 001**, To transact the following business.

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts for the year ended 31<sup>st</sup> March 2010 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Prem Shantiswaroop Gajra, who retires by rotation & being eligible offers himself for re-appointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion next Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** Mr. Shallendra Ajmera, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 during the year, w.e.f. 27<sup>th</sup> January, 2010 to hold the office upto the date of this Annual General Meeting and in respect of whom formalities under Section 257 of the Companies Act 1956 has been complied with proposing his candidature for the post of Director be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** Mr. Pravin Kumar Shishodiya, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 during the year, w.e.f. 27<sup>th</sup> January, 2010 to hold the office upto the date of this Annual General Meeting and in respect of whom formalities under Section 257 of the Companies Act 1956 has been complied with proposing his candidature for the post of Director be and is hereby appointed as Director of the Company, liable to retire by rotation."

By Order of the Board  
For **G. G. AUTOMOTIVE GEARS LIMITED**

Sd/-  
**RAM GAJRA**  
(CHAIRMAN & MANAGING DIRECTOR)

DATE: 5<sup>th</sup> May, 2010  
PLACE: MUMBAI

## Annual Report 2009-2010

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### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The proxies, in order to be effective must be deposited with the registered office company, not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Register shall remain closed from 18<sup>th</sup> August, 2010 to 25<sup>th</sup> August, 2010 (both days inclusive).
4. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.
5. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
6. Any members requiring further information on accounts at the meeting are requested to send their queries in writing to the Managing Director of the Company on or before 22<sup>nd</sup> August, 2010.
7. The explanatory statements, in respect of Item No. 4 & 5 of the notice, pursuant to section 173(2) of the Act are annexed hereto.

## **G. G. AUTOMOTIVE GEARS LIMITED**

### **EXPLANATORY STATEMENT**

**As required by section 173(2) of the Companies Act, 1956**

#### **ITEM NO. 4:**

Mr. Shailendra Ajmera was appointed as an Additional Director w.e.f 27<sup>th</sup> January, 2010 by the Board of Directors of the Company in terms of Section 260 of the Companies Act 1956 and in pursuance of provision of Articles of Association of the Company. Mr. Shailendra Ajmera holds office as a Director Upto the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment as a Director.

The Information about Mr. Shailendra Ajmera is as follows:-

Name of the Director	Mr. Shailendra Ajmera
Age	60 yrs
Qualification	B.COM
Expertise in specific functional areas	INDUSTRIAL OPERATION
Directorship in other Indian Public Limited Company & other firms as on 31.03.2010	VAISHNAV FIBRE LTD.
Shareholding	100

The Company has received a notice, under Section 257 of the Companies Act, 1956 along with the deposit of Rs. 500/-, from a member proposing his candidature as Director of the Company.

The Board considers that his association as Director will be beneficial and in the interest of the Company. Further, brief details regarding the Directors getting appointed / re-appointed, their expertise in specific functional areas and the names of the Companies in which they hold Directorship / Committee membership are furnished in the 'Report on Corporate Governance' forming part of the Annual Report for the year ended 31<sup>st</sup> March, 2010.

The Board recommends the said resolution for approval of members.

Except Mr. Shailendra Ajmera, none of the Directors of the Company are concerned or interested in the said resolution.

#### **ITEM NO. 5:**

Mr. Pravin Kumar Shishodiya was appointed as an Additional Director w.e.f 27<sup>th</sup> January, 2010 by the Board of Directors of the Company in terms of Section 260 of the Companies Act 1956 and in pursuance of provision of Articles of Association of the Company. Mr. Pravin Kumar Shishodiya holds office as a Director Upto the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment as a Director.

The Information about Mr. Pravin Kumar Shishodiya is as follows:-

Name of the Director	Mr. Pravin Kumar Shishodiya
Age	50 yrs
Qualification	B.COM, FCA
Expertise in specific functional areas	FINANCE
Directorship in other Indian Public Limited Company & other firms as on 31.03.2010	NIL
Shareholding	1332

## Annual Report 2009-2010

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The Company has received a notice, under Section 257 of the Companies Act, 1956 along with the deposit of Rs. 500/-, from a member proposing his candidature as Director of the Company.

The Board considers that his association as Director will be beneficial and in the interest of the Company. Further, brief details regarding the Directors getting appointed / re-appointed, their expertise in specific functional areas and the names of the Companies in which they hold Directorship / Committee membership are furnished in the 'Report on Corporate Governance' forming part of the Annual Report for the year ended 31<sup>st</sup> March, 2010.

The Board recommends the said resolution for approval of members.

Except Mr. Pravin Kumar Shishodiya, none of the Directors of the Company are concerned or interested in the said resolution.

By Order of the Board  
For **G. G. AUTOMOTIVE GEARS LIMITED**

Sd/-  
**RAM GAJRA**  
(CHAIRMAN & MANAGING DIRECTOR)

DATE: 5<sup>th</sup> May, 2010  
PLACE: MUMBAI

# G. G. AUTOMOTIVE GEARS LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
G. G. AUTOMOTIVE GEARS LIMITED.

Your Directors have great pleasure in presenting their 36<sup>th</sup> ANNUAL REPORT along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS:

The financial Results are briefly indicated below :

PARTICULARS	Year ended 31 <sup>st</sup> March 2010 (Rs.)	Year ended 31 <sup>st</sup> March 2009 (Rs.)
Total Income	89,508,995/-	51,691,688/-
Total Expenditure	78,819,939/-	42,991,552/-
Profit before Depreciation and Tax	10,689,056/-	8,700,136/-
Depreciation	2,191,901/-	1,873,663/-
Profit Before Tax	8,497,155/-	6,826,473/-
Provision for Taxation	1,350,000/-	1,057,231/-
Profit After Tax	7,147,155/-	5,769,242/-
<b>Appropriations:</b>		
- General Reserves	NIL	NIL
- Profit Loss Account	NIL	NIL
Balance of Loss brought forward from Previous Year	(1,140,410)	(4,857,920)
Balance Carried Forward to future years	2,398,186/-	(1,140,410)

### 2. FINANCIAL OPERATIONS:

Your Company has earned a total income of Rs. 89,508,995/- (Rupees: Eight crore ninety five lacs eight thousand nine hundred ninety five only) including a sales turnover of Rs. 53,326,825/- (Rupees: Five crore thirty three lacs twenty six thousand eight hundred twenty five only). However the total expenditure incurred by the Company during the year under review amounted to Rs. 78,819,939/- (Rupees: Seven crore eighty eight lacs nineteen thousand nine hundred thirty nine only).

Your Company has posted a net profit of Rs. 2,398,186/- (Rupees: Twenty three lacs ninety eight thousand one hundred eighty six only) during the year under review. As compared to loss incurred of Rs. 1,140,410/- (Rupees: Eleven lacs forty thousand four hundred ten only) in previous year.

### 3. DIVIDEND AND TRANSFER TO RESERVES:

The Directors did not recommend any dividend for the year in order to utilize the accruals for funding the expansion project of the Company. No amount is being transferred to reserves during the year under review.

### 4. DEPOSITS:

The Company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules made there under during the year under review.

### 5. SUBSIDIARIES:

Since the Company has no subsidiaries, provision of section 212 of the Companies Act, 1956 do not apply to the Company.

### 6. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Shailendra Ajmera and Mr. Pravin Kumar Shishodiya were appointed as an Additional Directors of the Company, w.e.f 27<sup>th</sup> January, 2010. Pursuant to Section 260 of the Companies Act, 1956, the Additional Director of the Company holds office upto the forthcoming Annual General Meeting of the Company; hence members are requested to re-appoint him in the forthcoming Annual General Meeting of the Company.

During the year Mr. Prem Shantiswaroop Gajra, Director retires by rotation and being eligible has offered himself for re-appointment. The members are requested to re-appoint him in the forthcoming Annual General Meeting.

### 7. COMMITTEES OF THE BOARD:

Pursuant to Section 292A of the Companies Act, 1956 and clause 49 of Listing Agreement the Company has formed Audit Committee. Besides this the Company has also formed Shareholder / Investor Grievance Committee to redress investors' complaint, if any.

### 8. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the Companies Act, 1956 the Board of Directors hereby confirms:

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. 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 of the Profit of the Company for that period.
- iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Annual accounts on a going concern basis.

### 9. CORPORATE GOVERNANCE CODE:

A separate report on Corporate Governance is enclosed as a part of this Annual Report. Certificate of M/s. Kamlesh B. Mehta & Co., Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with stock exchange is enclosed herewith.

### 10. AUDITORS:

M/s. Kamlesh B. Mehta & Co., Chartered Accountants, Mumbai, Statutory Auditors of your company hold office until the conclusion of the forthcoming Annual General Meeting and have signified their willingness to be re-appointed and have further confirmed that their appointment if made shall be within the limits specified under Section 224 (1B) of the Companies Act, 1956.



**11. AUDITORS' REPORT:**

The notes to Auditors Reports are self explanatory and hence no explanation is required from the Board as such.

**12. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis are annexed and forms an integral part of this report.

**13. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION & FOREIGN EXCHANGE:**

Statement giving the particulars relating to conservation of energy, technology absorption & foreign exchange earnings & outgo, as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 is attached as Annexure I.

**14. PARTICULARS OF EMPLOYEES:**

In accordance with the provision of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules 1999 as amended up to date, there were no employees during the whole or part of the year who were in receipt of remuneration in excess of limits as mentioned in the said section and hence no details are given as such.

**15. ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to place on record, gratitude for corporation and support received from their Banker, various departments and agencies of Central and State Government and dedication and commitment of the staff at all levels, without which the all-round growth and prosperity of the Company would not have been possible. Your Directors also appreciate the support provided by the several overseas and local customers to the Company's marketing efforts and to the esteemed shareholders who have maintained confidence in the Company.

By Order of the Board  
For **G. G. AUTOMOTIVE GEARS LIMITED**

Sd/-  
**RAM GAJRA**  
(CHAIRMAN & MANAGING DIRECTOR)

DATE: 5<sup>th</sup> May, 2010  
PLACE: MUMBAI

## Annexure I

## Form A: Disclosure of particulars with respect to conservation of Energy.

A Power & Fuel consumption	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
1. Electricity		
a) Purchased		
Unit	1040358	1016070
Total Amount	5721788	5292905
Rate/Unit	5.49	5.20
b) Own Generation		
(i) Through diesel generator		
Units	2800	4070
Units per ltr. Of diesel oil	98684	176968
Cost/unit	35.24	43.48
(ii) Through steam turbine generator	NIL	NIL
Units		
Units per ltr. Of fuel oil/gas		
Cost/unit		
2. Coal (specify quality and where used)	NIL	NIL
Quantity (tones)		
Total cost		
Average rate		
3. Furnace oil	NIL	NIL
Quantity (k ltrs.)		
Total amount		
Average rate		
4. Others/internal generation(Please give details)	NIL	NIL
Quantity		
Total cost		
Rate/Unit		

## B. Consumption per unit of production

	Standards (if any)	31 <sup>st</sup> March, 2010 (1)	31 <sup>st</sup> March, 2009 (2)
Products (with details) unit	GEARS & PINIONS	97319000	49560000
Electricity		5820472	5469873
Furnace oil		NIL	NIL
Coal (specify quality)		NIL	NIL
Others (specify)		NIL	NIL