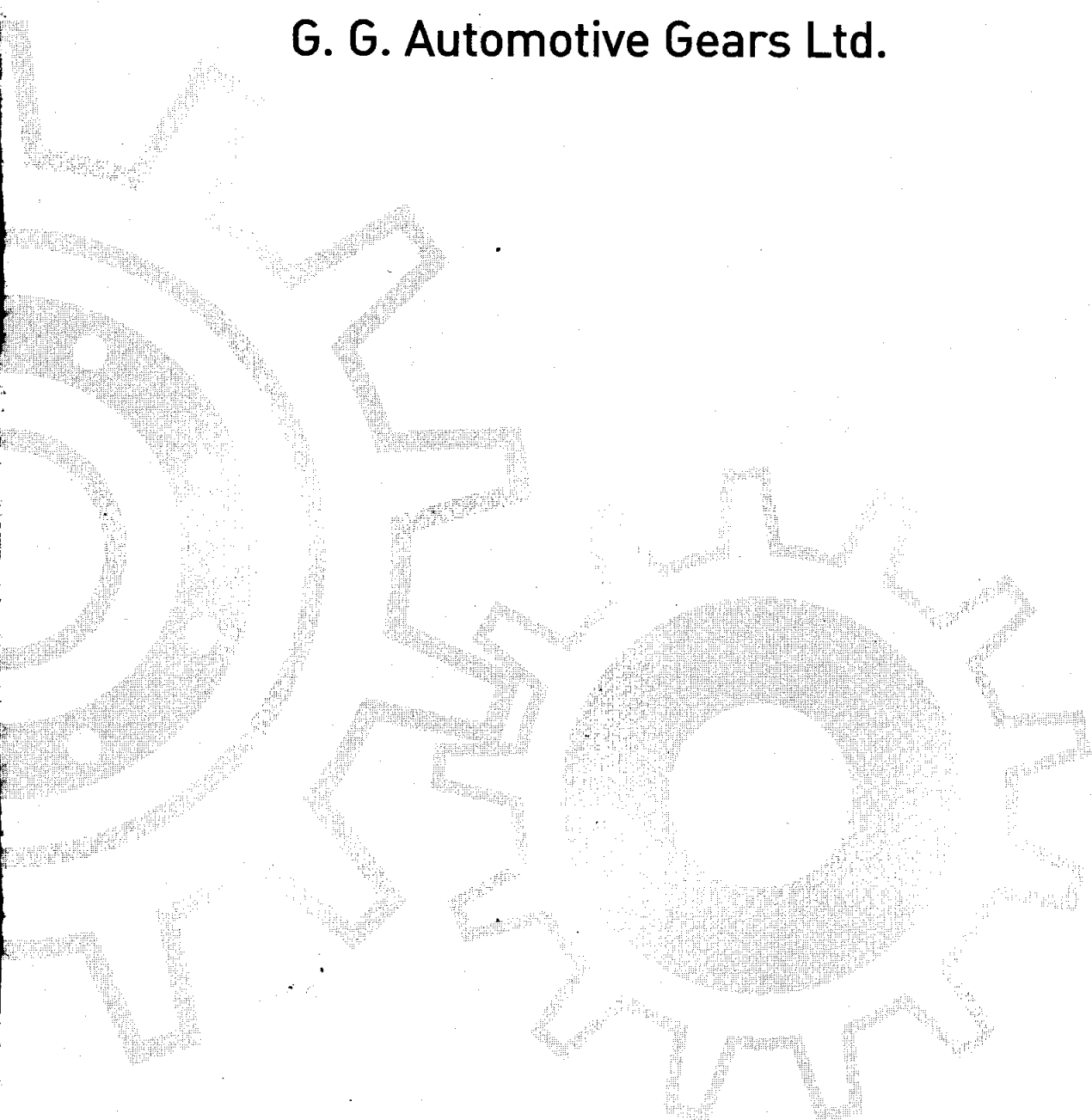




G. G. Automotive Gears Ltd.



39th Annual Report 2012-13

BOARD OF DIRECTORS

Mr. Ram S. Gajra
Mr. Kennedy R. Gajra
Mr. Shailendra Ajmera
Mr. Pravin Kumar Shishodiya

Chairman and Managing Director
Joint Managing Director
Non-Executive, Independent Director
Non-Executive, Independent Director

BANKERS

Union Bank of India
Axis Bank Ltd
ICICI Bank Ltd

AUDITORS

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

REGISTERED OFFICE

20/16, Gajra House, First Floor,
57-SCH, Sewri, Wadala Road # 37,
Wadala, Mumbai- 400031

ADMINISTRATIVE OFFICE

2-A, I. S. Gajra Industrial Area No. 1,
A.B. Road, Dewas- 455001 (MP)

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
Contact No. 91 (22) 23016761
Email-busicompany@vsnl.com

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NOTICE

Notice is hereby given that the 39th Annual General Meeting of the members of G. G. Automotive Gears Limited will be held on Wednesday the 19th June 2013 at 11.30 a.m. at Radio Club, 157, Arthur Bunder Road, Colaba, Mumbai- 400005 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2013 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. Shailendra Ajmera, 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, if any, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 and the provisions of Sections 198, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members be and is hereby accorded to the re-appointment of Mr. Kennedy Gajra as Joint Managing Director of the Company for a period of 5 (Five) years with effect from 1st June 2013 as per the draft agreement as initialed by the Chairman for the purpose of identification."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the tenure of service of the Joint Managing Director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

5. To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 and the provisions of Sections 198, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members be and is hereby accorded to the re-appointment of Mr. Ram Gajra as Managing Director of the Company for a period of 5 (Five) years with effect from 1st June 2013 as per the draft agreement as initialed by the Chairman for the purpose of identification."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the tenure of service of the Managing Director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

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

"RESOLVED THAT pursuant to provisions of section 293 (1)(d) of the companies Act, 1956 and all provisions, if any, the Directors of the Company be and are hereby authorised to borrow money from time to time from any one or more bodies corporate or Financial Institutions, banks or any entity or any person or persons by way of credit, advance, or other loans deposits whether unsecured or secured by mortgage, charge, hypothecation or pledge of the fixed assets and properties of the Company whether moveable or immoveable or stock-in-trade including raw materials, stores, spares or components installed or uninstalled or in transit and of goods in process and finished goods for the purpose of carrying on the business of the Company notwithstanding that such borrowings, together with money already borrowed by the Company (apart from temporary loans obtained if any, from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that to say, reserves not set apart for any specific purpose for the time being and from time to time but so that the total amount of money so borrowed by the Directors shall not exceed the sum of Rs. 50,00,00,000/- (Rs. Fifty Crores)"

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

Sd/-
RAM GAJRA
(CHAIRMAN)

DATE: 16-05-2013

PLACE: MUMBAI

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 Wednesday 12th June 2013 to Wednesday 19th June 2013 (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. In furtherance of green initiative in Corporate Governance by Ministry of Corporate Affairs, the shareholders are requested to register their email id with the Company or the Registrar and Transfer Agents.

Explanatory Statement

The following Explanatory Statement, pursuant to section 173 of the Companies Act, 1956 sets out all material facts relating to the business mentioned at item Nos. 4, 5 and 6.

ITEM NO.4

Mr. Kennedy Gajra was reappointed as a Joint Managing Director w.e.f. 1st June 2013 for the period of 5 years. The original appointment will expire on 31st May 2013.

Major terms of remuneration of Mr. Kennedy Gajra, Joint Managing Director are as following:

TERMS & CONDITIONS:

1. Name & Designation of Director : Mr. Kennedy Gajra, Joint Managing Director
2. Date of Reappointment : 1st June 2013
3. Period : 5 (five) years (w.e.f. 1st June 2013 to 31st May 2018)
4. Salary (p.m.) : Rs 2,50, 000/- p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act.
5. Minimum Remuneration : In the absence of inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. Kennedy Gajra by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Kennedy Gajra shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

PERQUISITES:

Mr. Kennedy Gajra as a Joint Managing Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation fund or annuity funds to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity: as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) Salary and perquisites specified herein shall be payable to the Joint Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- d) The Joint Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- e) The Joint Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the law in force as applicable to the Company.

- f) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956, or any amendment hereafter in that regard.
- g) In the absence or inadequacy of profits, the remuneration set out in paragraph (5) above shall be treated as the minimum remuneration payable to him.

None of the Directors of the company, except Mr. Kennedy Gajra, himself & Mr. Ram Gajra are considered to be interested or concerned in this resolution respectively.

These Terms and Conditions of re-appointments may be treated as abstracts between the company and Mr. Kennedy Gajra pursuant to section 302 of the Companies Act, 1956.

The copy of draft agreement as entered with Mr. Kennedy Gajra, Joint Managing Director will be open for inspection at the Registered Office of the Company during office hours till the date of Annual General Meeting.

ITEM NO. 5

Mr. Ram Gajra appointed as a Chairman and Managing Director w.e.f. 1st June 2013 for the period of 5 years. The original appointment will expire on 31st May 2013.

Major terms of remuneration of Mr. Ram Gajra, Joint Managing Director are as following:

TERMS & CONDITIONS:

1. Name & Designation of Director : Mr. Ram Gajra Chairman and Managing Director
2. Date of Appointment : 1st June 2013
3. Period : 5 (five) years (w.e.f. 1st June 2013 to 31st May 2018)
4. Salary (p.m.) : Rs 1,00,000/- p.m. with power to Board to vary from time to time within the limits of schedule XIII of the Companies Act.
5. Minimum Remuneration : In the absence of inadequacy of profits in any financial year, (a) subject to the approval of the Central Government, the remuneration payable to Mr. Ram Gajra by way of salary and perquisites shall not be reduced and (b) if the approval of the Central Government as stated in (a) is not received, the remuneration payable to the Ram Gajra shall be the maximum amount permitted as per Schedule XIII, as amended from time to time.

PERQUISITES:

Mr. Ram Gajra as a Managing Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation fund or annuity funds to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.

- b) Gratuity: as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) Salary and perquisites specified herein shall be payable to the Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- d) The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- e) The Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the law in force as applicable to the Company.
- f) The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.
- g) In the absence of inadequacy of profits, the remuneration set out in paragraph (5) above shall be treated as the minimum remuneration payable to him.

None of the Directors of the company, except Mr. Ram Gajra, himself & Mr. Kennedy Gajra are considered to be interested or concerned in this resolution.

These Terms and Conditions of re-appointments may be treated as abstracts between the company and Mr. Ram Gajra pursuant to section 302 of the Companies Act, 1956.

The copy of draft agreement as entered with Mr. Ram Gajra, Managing Director will be open for inspection at the Registered Office of the Company during office hours till the date of Annual General Meeting.

ITEM NO. 6

Section 293 (1)(d) of the Companies Act, 1956 provides that the Company cannot borrow where the monies so borrowed together with monies already borrowed exceed the aggregate of the paid-up capital of the Company and its free reserves without the sanction of the general meeting. The activities of the Company expanded considerably and propose to borrow monies for its future expansion programmes. The total borrowings of the Company may, therefore, exceed the limit. As such the Directors recommend for your approval the resolution mentioned in this item.

None of the Directors of the Company is concerned or interested in this resolution.

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

Sd/-
RAM GAJRA
(CHAIRMAN)
DATE: 16-05-2013
PLACE: MUMBAI

DIRECTORS' REPORT

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

Your Directors have great pleasure in presenting their 39th Annual Report along with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2013.

FINANCIAL RESULTS

The financial Results are briefly indicated below:

(Amount in Rs.)

PARTIULARS	YEAR ENDED	
	2012-2013	2011-2012
Gross Sales and Other Income	30,21,55,703	30,31,64,312
Gross Profit	4,53,09,478	4,97,54,819
Less: Depreciation	1,96,99,380	1,71,86,262
Profit before extra-ordinary and exceptional items	25,61,00,98	3,25,68,557
Less: Extra-ordinary and exceptional items	8,97,555	21,77,517
Less: Provision for Taxation	57,38,084	1,15,17,163
Profit after Tax	1,89,74,459	1,88,73,877
Appropriations		
General Reserves	-	-
Profit and Loss Account	-	-
Balance brought forward from previous year	2,35,70,423	46,96,546
Balance carried forward to Balance Sheet	4,25,44,882	2,35,70,423

FINANCIAL OPERATIONS

Your Company has earned a total income of Rs.30,21,55,703/- (Rupees Thirty Crores Twenty One Lakhs Fifty Five Thousand Seven Hundred and Three). However the total expenditure incurred by the Company during the year under review amounted to Rs.27,65,45,605/- (Rupees Twenty Seven Crores Sixty Five Lakhs Forty Five Thousand Six Hundred and Five).

Your Company has posted a net profit of Rs. 1,89,74,459/- (Rupees One Crore Eighty Nine Lakhs Seventy Four Thousand Four Hundred and Fifty Nine) during the year under review as compared to Profit incurred of Rs.1,88,73,877/- (Rupees One Core Eighty Eight Lakhs Seventy Three Thousand Eight Hundred Seventy Seven)

DIVIDEND

Your directors are ploughing back profit in order to conserve the resources hence no dividend is recommended for the current year.

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.

DIRECTORS

During the year Mr. Shailendra Ajmera, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

SUBSIDIARIES

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

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.

CORPORATE GOVERNANCE

The Board is pleased to inform that the Company has complied with the mandatory requirements of the Corporate Governance as detailed in Clause 49 of the Listing Agreement.

A separate statement on Management Discussion and Analysis and Corporate Governance is enclosed as a part of the Annual Report along with the certificate of the Statutory Auditors, Kamlesh B. Mehta & Company, Chartered Accountants confirming compliance of the code of Corporate Governance.

AUDITORS

M/s Kamlesh B. Mehta & Co., Chartered Accountants, Mumbai, Statutory Auditors of your Company hold office until the conclusion of forthcoming Annual General Meeting. However they have expressed their unwillingness to be appointed as Statutory Auditor for the next financial year. Therefore Board of Directors have recommended appointment of M/s Shah Gandhi & Co., Chartered Accountants, Mumbai as Statutory Auditors of the Company who have expressed their willingness and confirmed that their appointment if made would be within the limits specified under Section 224(1)(B) of the Companies Act, 1956.

AUDITORS' REPORT

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

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 A.

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) Amendment Rules 2011.

ACKNOWLEDGEMENTS

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 acknowledges their contribution towards sustained progress and performance of your Company.

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

Sd/-
RAM GAJRA
(CHAIRMAN)

DATE: 16-05-2013
PLACE: MUMBAI